Daily Report

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FBIS-EEU-94-064 *4 April 1994*

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Havel Interviewed on Health, Other Issues

LD0304182894 Prague Radiozurnal Radio Network in Czech 1215 GMT 3 Apr 94

[Interview with Prime Minister Vaclav Havel by correspondent Eva Hulkova at Hradecek: date not given; from the "Conversations at Lany" program—recorded]

[Excerpts] [Hulkova] Dear friends, we are recording these "Conversations" at Hradecek, where the president is ill. I must also say that he smokes a little and, as it appears, is overdoing it a little. How are you, Mr. President? Are you a good patient?

[Havel] I have a feeling that I am a perfect patient because I take all of the medication prescribed, I am in bed as I am supposed to be, and I am even smoking less. But I really do not like talking about my health or physical problems, and, if I remember correctly, I talked about my viruses extensively in "Conversations at Lany" three weeks ago, so I would very much not like to talk about it now. I should only like to add that the viruses are very unremitting. Simply, we have not been successful in destroying them. That is why I am undergoing a cure again, and I hope I will finish my cure once and for all soon.

[Hulkova] How do you feel mentally? It is known that it very much influences the curative process.

[Havel] I have been completely alone here for a few days. Admittedly, I am being guarded by my bodyguards, but they keep a fair distance from our house, and I like the loneliness very much because, when I am in Prague, naturally, I am surrounded by people from morning until night and have little time for this kind of concentration and contemplation, for reading. It is from this viewpoint that the treatment suits me.

[Hulkova] Let us return to when you were still healthy. You met at one of your regular quarterly meetings representatives of the parliamentary clubs. On such occasions, topical issues are usually discussed. It seems to me that one of the most topical is the method of elections to the senate. Was this issue discussed?

[Havel] Yes, you are right. It is a subject discussed a lot in our media, and, at the moment, it is very topical so we could not avoid it, either. However, it was not the main point of our talks.

[Hulkova] You are often accused of changing your mind on this issue. How do you look at it?

[Havel] I noticed that I was being suspected of this-...[pauses] I am a bit surprised because I have always had the same opinion on this matter. Perhaps it will not do any harm if I repeat it. First, I have never been particularly partial to a two-chamber system. However, the opposite view won—namely, that we should have the senate. This issue was organically incorporated into the Constitution and is an integral part of it. I think we should honor the Constitution, and, therefore, the senate should be elected this year. In my opinion, we would be making a strong attack on the common legal consciousness if we treated the Constitution according to our whims, if we incorporated into it an institution with a firm standing, and, then, because of negligence or failure to agree on the election procedures, if we did not establish this institution. [passage omitted]

I welcomed the constitutional undertaking that the senate would have to be elected on the basis of a majority voting system. I am a champion of the majority voting system or at least, of a combined voting system. [passage omitted]

[Hulkova] According to my information, you talked about non-profit-making organizations with the deputies. Why is this such a problematic subject all the time?

[Havel] Much to my pleasure, I learned that all, but really all, of the parliamentary clubs agreed with me on the enormous importance of this whole sphere of non-profit-making organizations, about which I already talked in these conversations some time ago and intend to go on talking about. They consider it to be extremely important that the law regulates this sphere and agree that there is a need for more laws on this to be passed by the end of this year so that they could start being enforced by 1 January [1995].

The present situation is very bad. It was inherited from the communist era, which has divided organizations into so-called budgetary and contributory organizations. These are, in effect, bodies controlled by the state by means incompatible with democratic conditions. All democratic countries have different structures [in this field]. The whole sphere of educational, health, cultural, and many other undertakings are regulated by special laws. [passage omitted]

You asked why there was such resistance against [regulating] this area. I am not quite sure who is resisting, but I was pleased to acknowledge that it was not parliament. Transformation of this whole non-profit-making area will require, at the same time, the restructuring of this area, and it is a process comparable, for example, to the whole process of privatization. [passage omitted]

[Hulkova] Is the idea of power part of this problem?

[Havel] Of course, it is connected with power because the issue here is related to decentralization of power. [passage omitted] Imagine, for example, that, in a highly charged, very dramatic situation, the citizens would be entranced, lulled by a political tempter who gains a lot of votes and wins, and then it transpires that he is a madman. The point is that the state must be able to continue, to flourish, to function, even if it is temporarily headed by this madman, until he is replaced by somebody else. This is one of the reasons I have undertaken to draw attention to this sphere of non-profit-making organizations because they are a joint part

of decentralized, structured, civic society, in which everybody takes a share of responsibility for public affairs.

[Hulkova] Because we have come to this point, can I ask, as editor of Czech radio. which is a public body, about an issue of direct concern. You may know that the guardian of our treasures, Finance Minister Ivan Kocarnik, does not agree to radio license fees being increased. However, because we do not have laws that would punish those who do not pay, Czech Radio finds itself in a sad situation. What is your opinion?

[Havel] It is narrowly connected to what we discussed before with the non-profit-making organizations. After all, radio is such a non-profit-making organization. This is very difficult. On the one hand, it is obvious how important it is for this type of public body to exist. Look at radio or television. If they are going to be purely profit-making, they would not be able to fulfill to such an extent their aim of reflecting independently the world as it is. The same applies if they are exclusively state-controlled because then they are dependent on the state. [passage omitted]

Havel's Attitude Toward ODS Electoral System

AU0104183194 Prague HOSPODARSKE NOVINY in Czech 29 Mar 94 p 6

[Commentary by Jiri Leschtina: "Puzzling Pleasure on the Part of the President"]

[Text] On Saturday [26 March], President Vaclav Havel confided to reporters that he was extraordinarily pleased about the proposal by a group of deputies that endeavors to consolidate the Civic Democratic Party [ODS] idea of 81 single-seat constituencies for the senate elections with the remainder of the coalition that demands 27 three-seat constituencies. The newly emerged "81 + 27" hybrid is, however, more reason for lament than pleasure.

The "81 + 27" project assumes for the first senate elections 27 constituencies, in which the citizens would have three votes to cast in three smaller (sub)wards. While we would have 81 small wards, the citizen would not vote for a single senator in his ward, as proposed by the traditional majority system, but also in two additional ones. Moreover, these 81 wards are to exist only the first time around. In the subsequent senate elections, the citizens would only vote for one candidate in 27 large constituencies, as the smaller coalition parties headed by the Civic Democratic Alliance [ODA] demanded from the very beginning.

In other words, the deputies propose: In the first year, we will satisfy the ODS's demand for 81 wards (no longer according to the pure majority principle of one candidate-one vote), and, in subsequent years, we will transfer to the ODA system. Every second year, then, a single senator would be elected in each of the 27 wards. In the meantime, the ODS proposal has the citizen elect his senator once in six years.

Why, however, is the president so pleased with this pseudocompromise, when he recently declared that he likes the idea of small single-seat constituencies, calling it a pure majority system as prescribed by the Constitution?

It seems that, at the last moment, the president revised his opinion so he does not have to support the ODS in its struggle against the ODA and the Christian and Democratic Union-Czechoslovak People's Party [KDU-CSL]. The meeting on Thursday [24 March] between the president and [ODA chairman] Jan Kalvoda and [KDU-CSL chairman] Josef Lux (for the second time in absence of Vaclav Klaus] indicates that a certain triumvirate is emerging for defense against the prime minister and his party.

There is nothing wrong with Havel, Lux, and Kalvoda feeling the need to join hands and face the hegemony of Czech politics together. Nevertheless, it is no reason for the president to turn away from the practical project of the ODS, which complies with the constitutional stipulations better than any of the other projects.

Baudys, Latvian Commander Discuss Cooperation

LD0104153994 Prague Radiozurnal Radio Network in Czech 1500 GMT 1 Apr 94

[Text] Defense Minister Antonin Baudys today received Dainis Turlajs, commander of the Latvian Armed Forces, at the end of his visit to the Czech Republic. The Latvian representative held talks on mutual cooperation in the armaments industry. He was interested mainly in the surplus and unusable equipment of the Czech Army. The Czech side will consider further his proposal to possibly provide this equipment to the Latvian Army, together with training support and teaching how to operate the equipment.

Progress in Scrapping Excess Weaponry Reported

AU0104134594 Prague CESKY DENIK in Czech 30 Mar 94 p 1

[CTK report: "Army Under Surveillance"]

[Text] Prague—Representatives of countries that are signatories to the Treaty on Reducing Conventional Ground and Air Forces in Europe carried out 92 inspections in the Czech Army from 1 January 1993 to 1 March 1994. The inspections confirmed the Czech Republic's responsible approach to the implementation of the treaty. A total of 61 percent of the planned number of tanks, 57 percent of the armored combat vehicles, 48 percent of the artillery systems, and 62 percent of the combat aircraft had been destroyed by 1 March. Another

417 tanks, 43 armored vehicles, 52 artillery systems, and 38 combat aircraft remain to be destroyed by 15 November 1995.

Estimate Shows 0.3-Percent GDP Drop in 1993

AU0104135094 Prague HOSPODARSKE NOVINY in Czech 31 Mar 94 p 1

[Article by "joe": "Gross Domestic Product Declined 0.3 Percent in Real Terms Last Year"]

[Text] Prague—The Czech Republic's gross domestic product [GDP] declined by 0.3 percent in 1993, compared with 1992, in real terms. The Czech Statistical Office [CSU] estimates the total volume of GDP in current prices at 923.1 billion Czech korunas. As CSU Press Spokeswoman J. Lehnerova told our paper yesterday, the proportion of the nonstate sector in GDP reached more than 45 percent last year. The above data is only preliminary, Lehnerova said, because the information available at the time the estimate was made was not complete.

Filkus Views Economic Policy, Budgetary Issues

AU0104142094 Prague HOSPODARSKE NOVINY in Czech 29 Mar 94 p 4

[Interview with Slovak Finance Minister Rudolf Filkus by Oldrich Zabojnik in Bratislava; date not given: "R. Filkus: We Are Not Contemplating the Third Way"]

[Text] There are many officials in the Moravcik government who are not very well known, even to the Slovak public. This does not apply to the finance minister of the Slovak Republic, renowned Slovak macroeconomist Rudolf Filkus, who granted the following interview to the HOSPODARSKE NOVINY Bratislava correspondent:

[Zabojnik] What are the principal objectives for your work in the ministerial post?

[Filkus] We must prove our efforts aimed not only at macroeconomic stability but also at microeconomic stability. We want to continue in the steps already made and never again contemplate some third way to the market. We have already passed through trade and price liberalization, the internal convertibility of the currency, privatization, and the restrictive macreconomic budgetary and monetary policies. Because of the conditions that emerge here, we will continue on this path.

[Zabojnik] Can you be specific about the monetary policy, for instance?

[Filkus] The finance minister should not speak about what the monetary policy should be like. That is the business of the National Bank of the Slovak Republic [NBS], and no one should interfere. The NBS is here to choose the steps according to its criteria, foreign currency reserves, inflation, or the deficit budget. Of course, mutual consultations and joint considerations of future steps are possible, but only insofar as I, as the minister, must help to seek such solutions, given the deficit budget, that would not accelerate inflation. I am thinking of the combination of banking, monetary, and economic tools.

[Zabojnik] Which sector of the Slovak economy do you see as the most troubled?

[Filkus] At present, the economic microsphere is the most risky one because it lives not off its results but off the principal. This is directly connected to insolvency, and especially to privatization, not only from the point of view of its acceleration, but also from its depolitization. This important tool of the transformation process has become here a tool of concentration of political power.

[Zabojnik] You were not enthusiastic about this year's Slovak budget when you were in the opposition. What specific outlet for these opinions will you use now as the minister, at the time you are contemplating an amendment to the Law on the State Budget? I would be interested most of all in how you want to deal with the expenditure side of it.

[Filkus] Many of our predecessors proceeded in such a way that, if they wanted to balance the budget, they were little by little cutting expenditures. The minister and the ministry must also be very interested in the revenue channels rather than in just keeping on cutting expenditures. Hence, I must also be interested in taxes and customs, where there are tremendous reserves in scrutiny.

[Zabojnik] Thus, you indirectly agree with your predecessor, who said that, when the coffers are empty, you can whistle for it?

[Filkus] O.K., but we have several handicapped sectors, like education, health care, and culture, where we cannot effort to reduce expenditures.

[Zabojnik] Given the objective possibilities of Slovakia, can this government proceed in relations with the Czech Republic any differently from the way Meciar did?

[Filkus] First of all, we must reach such an agreement that the results would be in the best interest of both parties. This applies to the certificates, customs union, and clearing accounts. We have to accommodate each other. In the customs union, for instance, the point of departure must be advantageous for the two sides, but one must also note the disadvantages for either party. Regarding the certificates, we made an accommodating step that will facilitate the continuing validity of the treaty on the mutual recognition of Czech and Slovak documents, and a situation such as there was before will not arise at the border. We have also unanimously agreed that the old lot of the clearing account [obligations originated before the currency division on 8 February 1993] must be abolished, but this also depends on parliament.

Boross-Chernomyrdin News Conference on Talks

LD0104144694 Budapest Kossuth Radio Network in Hungarian 1400 GMT 1 Apr 94

[Report by Istvan Kulcsar]

[Text] Hungarian Prime Minister Peter Boross and Russian Prime Minister Viktor Chernomyrdin, along with the Hungarian and Russian ministers concerned, signed six documents early this afternoon in the Cupola Hall of the parliament building here in Budapest.

At their subsequent news conference, Peter Boross highlighted two agreements in particular: The first provides for the transportation to Russia of the spent heating elements of the Paks nuclear power station, and the second for the settling of the Russian debt. The modalities of the latter are to be services, deliveries of goods, and access for the Hungarian side to property in Russia in Russian or mixed enterprises.

The latter was warmly welcomed by Prime Minister Chernomyrdin, who stated that the trade the two countries conducted with each other last year could be doubled or even tripled in the medium term.

In answer to questions, the Russian prime minister said that his country welcomes Hungary's intention to join the European Union. As for Hungary's possibly joining NATO, that is something that will have to be decided by the Hungarian leadership and the Hungarian people.

Peter Boross stated that the Hungarian-Russian discussions have been even more successful than expected.

Further on News Conference

LD0304112694 Budapest Kossuth Radio Network in Hungarian 0705 GMT 3 Apr 94

[Excerpts] Russia, the only European superpower outside the European Union [EU], agrees to Hungary's future membership in the EU. This was declared by Russian Prime Minister Viktor Chernomyrdin at a news conference held in Budapest a few hours after Hungarian Foreign Minister Geza Jeszenszky handed over Hungary's application for EU membership in Athens on Friday [1 April].

[Begin Chernomyrdin recording, in Russian fading into Hungarian translation] We support Hungary's submission today of its application to join the EU. Russia is also preparing to do this. We hope a decision on this will be made this year, first on the political level and then in the economy as well. Of course, this will take a considerable period of time. We do not have illusions because we assess the situation realistically. We expect that when Hungary is a member of the EU, it will support Russia's membership application. [end recording]

At the news conference, which followed two days of negotiations in Budapest between the Hungarian and Russian prime ministers, other issues of integration and security policy were also discussed. A British journalist asked about Hungary's intention to join NATO.

[Begin Chernomyrdin recording, in Russian fading into Hungarian translation] It is a matter for Hungary, the Hungarian Government, and the Hungarian people to decide whether or not to join NATO. We may express our view on it, we may offer philosophical theories about it, but it is still a matter for the Hungarian people. [end recording]

It was also said at the news conference that Russia could pay back some of its debts to Hungary through arms deliveries. Chernomyrdin did not rule this out. Even more, he offered joint arms production, the possibility for Hungarian firms and entrepreneurs to participate in the privatization of Russian weapon manufacturing plants and to acquire share ownership in these plants as a form of [Russian] debt repayment. [passage omitted]

The main focus of the prime ministerial negotiations was the economy. Russia will repay its debt, which amounts to about $800 million, within three years through deliveries, services, and handing over Russian assets into the ownership of Hungarian entrepreneurs. Meanwhile Russia will pay interest on the existing debt. [passage omitted]

Horn Rules Out Coalition With MDF

AU0204142294 Budapest NEPSZABADSAG in Hungarian 1 Apr 94 p 10

[Tibor J. Keri report: "If the MSZP Forms the Government, the MDF Will Not Have a Place in It, Gyula Horn, Leader of the Socialists Says"]

[Text] I do not wish to react to the statements of Viktor Orban [chairman of the Federation of Young Democrats, Fidesz] or other leaders of the Fidesz, Gyula Horn, chairman of the Hungarian Socialist Party [MSZP], told our correspondent. As is known, Orban recently said that the parliamentary parties had made a mistake by letting the MSZP out of quarantine after two years, and society will suffer for this. Horn also said that if the MSZP came to power, it would be a deception of the electors to take the current Hungarian Democratic Forum [MDF] back into government.

In connection with Orban's statement, Horn noted that he cannot do anything about such statements, but he finds it unfortunate that the Fidesz is adopting the style applied by some of the government parties. This does not suit them, Horn said, and at the same time, he believes that the Young Democrats will still have time to cool down.

Rather Than Wrestling, It Is Confidence Gaining

Horn does not believe Prime Minister Boross, either, who said that the elections will be decided between the MSZP and the MDF, and the liberal parties will wither away. At the same time, he thinks it possible that, in the

long run, the liberal parties will fulfill a political role similar to that in Western Europe. This means that they will be parties with a marked character but smaller social support than they now have. However, Horn certainly does not assume that the Alliance of Free Democrats [SZDSZ] would not have an important role in the May elections, and its results will be at least as good as those of the MDF. Therefore, Horn sees Boross's statement on this as a simple prediction, one that is solely meant to reassure the MDF, but which is unlikely to increase the number of their votes.

About the election prospects, Horn also said that the MSZP is not wrestling with the MDF, but the MSZP would like to gain the confidence of the voters. They would find it desirable if they reached a result that expresses that Hungary does have a European democratic left wing. A left wing—whether it is in government or opposition—which cannot be left out of important decisions. This is our fundamental goal, rather than dealing with other parties' predictions of chances, Horn noted. He added that it is their feeling that most of the citizens have already decided for whom to vote, but this will only come to light at election time.

Horn finds the increasing coarseness of the election campaign worrying. In reply to our note that a recent UJ MAGYARORSZAG interview called him the "most popular henchman," Horn said that if he took certain articles in the UJ MAGYARORSZAG seriously then he should indeed leave the country. What is published in this newspaper has nothing to do with honest information, he said. He finds it regrettable that newspapers that are presumably supported from state finances can allow themselves to take this tone. According to Horn, in the long run, a solution could be reached in the Hungarian press if all newspapers were privatized after the elections and the readers could then decide through their purchases if newspapers with this style are needed. At the moment, this newspaper can easily survive because its losses, which exist in spite of its declining print-runs, are presumably covered from state resources, he added. As for the so-called opposition press, he noted that, contrary to government propaganda, the MSZP's popularity is not to be attributed to the press. As an example, he also mentioned NEPSZABADSAG, because, as he said, this newspaper was not very good at reporting the MSZP's important proposals and parliamentary statements to the readers.

There Is a Witness to Every Lie

According to information received by NEPSZABADSAG, government circles have asked the activists of the National Federation of Political Prisoners [POFOSZ] and the Historical Justice Committee [TIB] to seek out evidence and witnesses in connection with Horn's activities in 1956 and 1957. In connection with this, Horn said that it is possible that this kind of action has been started. In his view, it is an old truism that it is always possible to find and pay a "witness" for every lie. In the past four years, they have tried to accuse him of all kinds of acts but all these slanders have proved to be lies. It is possible that new ones will be brought up, and I will reply to them; however, if I receive any very rude insults then I will use my legal rights, he said.

According to Horn, it is necessary for the current government to prepare detailed accounts before it gives power to the new cabinet. This is important because, whatever kind of government comes to power, the new parliament must be clear about the country's real financial situation. From an opposition position, we were not able to find out many facts. For example, we do not know what kind of domestic and foreign financial commitments and guarantees the Boross government has taken on. Nor do we know exactly what kind of lasting effects the various government decisions will have and how Hungary's debt-servicing obligations may change. It is important to find all this out because these factors will significantly influence the next government's freedom of movement. This is one of the reasons it is important for the current cabinet to give a true report on the economy's real situation instead of the country being full of the propaganda of success, Horn stated. Should the Boross cabinet decide to distort the reality and deceive the new government and society, this will be discovered very quickly, within a few weeks, Horn said. He is convinced that expert committees will have to uncover the country's real situation while the coalition talks are being held.

Social Cooperation Is Needed

In Horn's view, after the elections, regardless of the result, social unity will be needed to remove the country from the economic crisis. He said that the other side also has honest people and the loudest people in the parties need not be identified with the given parties. There are many clever and sober people who are free from extremism in this country. Therefore, Horn is convinced that the new parliament and government will have the opportunity to integrate these forces. I am optimistic, and believe that, sooner or later, it will certainly be possible to create social unity in this country, Horn said. Talking about a possible grand coalition, Horn said that it would be equivalent to deceiving the electors if the MSZP, in case it comes to government, retained the MDF in government. However, even if the current government parties are put into opposition, we would like to achieve a normal dialogue and cooperation between the parliamentary parties, Horn said at the end of the interview.

Army Commander on Salaries, Arms Industry

AU0104145794 Budapest TALLOZO in Hungarian 31 Mar 94 p 596

[Interview with Army Commander Janos Deak by Erika Gulyas, broadcast in the "Kinn Padon" program of Hungarian Television's Day TV on 21 March; place not given: "We Need A Hungarian Military Industry"]

[Text] [Gulyas] Kalman Lorincz, the predecessor of Hungarian Army Commander Janos Deak, who retired at the beginning of March, said that he was leaving a depressed army behind. Do you agree with this evaluation today?

[Deak] Kalman Lorincz obviously had a reason to say these things when he left. I think that the mood of the personnel of the Hungarian Army is very important. The mood is a reflection of our current situation, and the situation of the army personnel is indeed not very rosy, especially its social situation. I think Lorincz was right.

[Gulyas] In evaluating the social situation, he also said that the officers' mood was bad because they had not taken a really active role in the changes of the past four years. Do you agree with this, given that you have also participated in this process?

[Deak] The Hungarian Army has been a stabilizing factor in Hungary over the past four years. The Hungarian Army and its officers have done some excellent work. Our officers' corps is excellent, and their activity in the army has been exemplary. I do not think they should have played any other active role in the society.

[Gulyas] Nor did Kalman Lorincz think that; instead, he thought that the officers' corps had not played a sufficient role in shaping the issues within the army.

[Deak] We did everything in our power to make it possible for the Hungarian Army to start reorganizing and carrying out all the tasks that have been carried out over the past four years. We worked together with General Lorincz, who personally did some rather successful work, too.

[Gulyas] It was also said and it also appeared in the press that a third of the officers' corps were living at about the minimum subsistence level. Let us try to examine what percentage of the defense budget you are spending on wages. How much money can you allocate for maintaining the current level and how much is left for development?

[Deak] We have already presented these figures many times. I would like to present the situation from another angle. We spend a considerable proportion of our budget on personnel expenses, and another part of the budget goes for material expenses, so no money is left for development. For example, the monthly net pay of a first lieutenant is about 17,000-18,000 forints, and I do not think that I need say anything else. Hoping that the bill on soldiers' legal status will be adopted, we think that the income of our officers, warrant officers, and civilian employees will increase, and we will also be able to give a better monthly payment to our conscripts.

[Gulyas] This law will probably not be passed by the present Parliament. Something might come out of this in September at the earliest.

[Deak] We very much hope that this will then take place in the autumn. I cannot say that the bill will not get to Parliament in the current legislative cycle. This is a decision for Parliament. However, if we cannot submit it to Parliament now, we very much hope that it will get there and will be adopted soon.

[Guyas] I read an evaluation that, with the exception of the MiG-29 aircraft, the army's equipment will become practically totally obsolete. Can we accept this evaluation?

[Deak] Not this way. We worked out a long-term military technology development concept and the government accepted it. There is also agreement with the parliamentary parties on this issue, but Hungary's capacity did not make it possible for us to start the implementation of this plan. We think that the situation of the Hungarian Army requires action. Regarding spare parts and certain replacements, we depend on Eastern imports. On the other hand, we would like to get high technology from the West and, most importantly, we would like to develop the armed forces based on a Hungarian military industry, something that perhaps does not yet exist. I would like to say that guns will be guns after the year 2000 too. We need Western technology mainly for our air defense, air force, electronic combat units, reconnaissance units, and command. We hope to purchase such technology when Hungary's economic performance permits.

[Gulyas] You mentioned our military industry. Many people complain that the Hungarian Army does not place orders, although there is a background and basis on which to build such an industry. People mention Videoton, MOM, and other enterprises. In your opinion, is this complaint justified?

[Deak] Absolutely. We need the minimal support from the current budget for projects that we can carry out. The Danube Aircraft Repair Factory has been mentioned recently. We could only place 400 million forints worth of orders this year. I think this whole situation will have to be considered differently. We need a Hungarian military industry in any case.

[Gulyas] In the long term, this country is interested in approaching NATO. In your opinion, to what extent can our joining the Partnership for Peace program help us to bring our technical level closer to that of NATO, because we cannot expect NATO to accept a country whose technical level is decades behind that of the NATO countries?

[Deak] The approach to NATO or other European alliances is a process. The Partnership for Peace initiative and process is a possibility for this approach and an opportunity to get to know one another. We must obviously get closer in technical systems too.

[Gulyas] What is the official duration of your appointment?

[Deak] My appointment lasts until the end of 1996.

[Gulyas] In your opinion, can you imagine a situation after the elections in which you will have to leave earlier than planned?

[Deak] We always carry out what the state leadership determines for us. We serve the army as long as we are needed and for as long as we can.

Article Views Parties' Minority Policies

AU0104175294 Budapest MAGYAR NEMZET in Hungarian 31 Mar 94 p 7

[Article by unidentified correspondent: "National Minorities and the Parties"]

[Excerpt] [passage omitted]

Hungarian Democratic Forum—Place on the National List

A separate chapter in the election program of the Hungarian Democratic Forum [MDF] deals with the situation of the national minorities living in Hungary and the possible solutions to their problems. The National Committee accepted the party's Gypsy policy guidelines in 1992 and this has now been built into the current program. They stress the need to address the Gypsy population because, in their view, this community, the largest among the national minorities, is in the most difficult situation in the currently changing world. MDF spokesman Karoly Herenyi said that their program contains short and long term crisis management. In the short term, they want to solve the problem of Gypsy unemployment. The MDF considers it important to have the traditional Gypsy handicrafts restored. In their view, in the long term, the problems of the Gypsy population will be solved through organizing their education. Hungary's first Gypsy middle school established by the Ghandi foundation is a good example of this.

He called it unfortunate that the leaders of the national minorities enter the elections on party lists because, when they get into Parliament, they will have to fulfill the expectations of the party, then the parliamentary group, and they will only be able to represent their own national minority in third place. Two Gypsies are on the MDF's national list: Jozsef Raduly, the leader of a 100-member Gypsy orchestra, is in 48th place, and he is followed in 49th place by Florian Farkas, leader of the Lungo Drom Gypsy organization.

Alliance of Free Democrats—Not According to the Principle of Reciprocity

The Alliance of Free Democrats [SZDSZ] emphasizes that the national minority issue cannot be made part of the election campaign, parliamentary deputy Istvan Szent-Ivanyi said. He added that this applies both to the minorities living in and outside Hungary.

Szent-Ivanyi believes that the rights of domestic minorities have to be guaranteed with agreements based on a broad consensus, and their parliamentary representation, which has not yet been resolved, also has to be ensured. In the SZDSZ's view, a mouthpiece organization for the national minorities would be set up by the domestic minorities forming a society that would delegate an ombudsman to Parliament every year from a different group, thus creating a rotation system.

A separate chapter deals with the issue of the national minorities in the SZDSZ's election program: Their main principle is that the situation of the domestic minorities cannot be made dependent on the situation of Hungarians living beyond the borders. The principle of reciprocity does not apply in this case. The state is obliged to ensure the rights of national minorities: The program recommends practical solutions to preserving the identity, and to ensuring education and the use of the native language. The party will prepare to amend the national minority law at all points where it has not lived up to expectations and they also intend to place the national minority financing system on new bases.

The Free Democrats [SZDSZ] have not consciously made an effort to have national minority representatives but it is no accident that there are many among them—for example Antonia Haga, Boleszlav Pelcsinszki, Ferenc Wekler, and Tamas Freund—because, owing to the SZDSZ's attitude, these people enjoy working in this party.

Hungarian Socialist Party—Violation of the Constitution?

According to the Socialists [MSZP], the parliamentary representation of the national minorities has to be resolved, parliamentary deputy Csaba Tabajdi said. Unfortunately, the Constitution has been violated in relation to the national minorities in the past four years. If we become the government, we will immediately start inter-party talks on solving this issue. The current situation can be remedied either through by-elections or when local elections are held. The national minority law is a means, rather than a goal, for us: A change should take place in the life of the national minorities, for example, in education. An overall government program is needed to achieve this. We have to set up the two 500 million forint funds in the budget as prescribed by the law, and this has to be provided for two years. The MSZP's program also includes legal measures against negative discrimination, and its justification lies in the fact that some statements have been made and acts have been committed to offend ethnic groups and national minority members in recent months. Action against discrimination is not laid down adequately in the Hungarian legal system.

Replying to whether the MSZP has any deputies belonging to national minorities, Tabajdi said that the Gypsy Tamas Peli and the ethnic Slovak Mrs. Robert Jakab are on the party's list.

As for an ombudsman, Tabajdi said that it does not substitute for the parliamentary representation of

national minorities, which is their right as citizens, because an ombudsman for national minorities can mainly remedy legal violations, while the parliamentary deputies can initiate the prevention of legal violations or can participate in the fight against discrimination.

The Christian Democratic People's Party [KDNP]—Strong Representation Needed in the Local Governments

The KDNP's program has a separate chapter on the national minorities. According to Gyorgy Holvegyi, the KDNP's national minority expert, it is most important to strengthen the national minorities' sense of self-identity because this is the only way that they will be able to have representation in proportion to their size. Regardless of their size, the national minorities are due extra rights. The Christian Democrats emphasize that the national minority representations have to develop from the local self- governments to the highest level because this is the only way that their true level of organization and inner strength can be seen. In their view, the now frequent questioning of the legitimacy of the national minority federations can be avoided in this way. With the KDNP's deputy candidates, one's ethnic origin is not indicated but, for example, a number of ethnic German deputies are running in Baranya county in southern Transdanubia, who have established rather good relations with the organizations of Germany's Christian Democratic Union and the Austrian People's Party. They are expecting several visits from these sister parties during the campaign; however, on the basis of the electoral law, foreigners are always reminded that direct campaigning is not allowed.

Walesa on Relations With West, Russia

PM0104141794 Moscow MOSKOVSKIYE NOVOSTI in Russian No 13, 27 Mar-3 Apr 94 (signed to press 29 Mar 94) p 11A

[Interview under the "Leaders" rubric with Polish President Lech Walesa by special correspondents Viktor Loshak and Valeriy Masterov at the Belweder Palace in Warsaw; date not given: "Lech Walesa: Neither Russia nor Poland Can Be Moved to America; We Are Forced To Depend on One Another"]

[Excerpt] [passage omitted] [MOSKOVSKIYE NOVOSTI] Proposals are now being voiced in the United States that Poland and Ukraine should become a kind of "buffer zone" between the giants of Europe—Russia and Germany. What is your view of that?

[Walesa] People think up different things. I am a practical politician. The theoreticians have to do something, so they fantasize. But, as a practical man, I understand that the exhortations of the new era are different. Such comparisons, "buffer zones" and so forth, mean that we have still not broken away from the past. All of this is still a case of thinking in the category of the "division of the world" into two parts. But the world does not divide like that, of course. The differences are beginning to disappear. Of course, the world can be divided into the more developed and the less developed, the richer and the less rich. I think that, in this case, it is illogical now to speak of various zones. Even if everything were fine with us—that is, with Russia, Ukraine, and Poland—it would still take us 20 years to catch up with the West. Yes, there are 20 years of development ahead of us. But the West is choking; it is suffering from overproduction. It needs us to enable it to develop at all. The West needs us more than we need the West!

[MOSKOVSKIYE NOVOSTI] Were your previous hopes of Western aid justified?

[Walesa] I have never counted on Western aid. History has taught us quite well that we cannot seriously count on the West. We have received no aid from it apart from promises, and they were late, what is more. But you cannot complain about that—such is the way of the world. Business is business. What has sentiment got to do with it? Sentiment gets in the way. But, if you are talking about my disappointment with the West, well, of course, that is real. But it exists in completely different categories: The West does not understand what is going on here, it does not see us as partners. We and you, we do not need anything. All that we want is that they should recognize our equal rights and potential. Just as soon as that potential is opened up, we will sort things out ourselves. But the West opens itself up only if it stands to gain, and it does so using its surplus products, its best goods, which we lack. But when our goods are competitive and cheap, barriers are set up. So the West is very nationalistic; it is just that this a different class of nationalism. No, we do not count on any aid. We count on equitable and serious partnership. Then we will cope with the rest by ourselves.

[MOSKOVSKIYE NOVOSTI] At the same time, the impression is being created in Russia that what we are seeing in Poland is simply some kind of NATO-mania. How do you reconcile this with your critical attitude toward the West?

[Walesa] Right now, after the disbandment of the Warsaw Pact, what is left is the NATO alliance—a stable, clear, and comprehensible alliance. Meanwhile, all that was left from the Warsaw Pact is unreliable. I have always had a great fear of the unreliable. I do not like being caught unawares. At such a moment as this, I would like the West to reduce the zone of distrust by accepting us and other countries. Then we would all be on the same side. We would sit down and talk about how things should be and what NATO should be like. But, because we are leaving the whole territory in a state of unreliability, there is no knowing what might arise here: nationalisms and all kinds of other demons, like in Yugoslavia. Anything could happen, but we have abandoned it all: We disbanded and we destroyed, but we did not manage to create anything. This is not directed against Russia. This is an approach to the creation of a united security.

[MOSKOVSKIYE NOVOSTI] So, you do not rule out the possibility of postcommunist revanche in some part of Europe?

[Walesa] If we leave this zone of distrust, life will find a solution, and it might not be one we like. And the West's attitude is facilitating such a possibility. We are already seeing its snobbery and arrogance today. And, indeed, something might happen that would recreate the old order. Why should we repeat that lesson?

[MOSKOVSKIYE NOVOSTI] In other words, the West must insure East Europe against possible postcommunist relapses?

[Walesa] I say again: The point is to reduce this zone of distrust. We have not thought up anything new yet. I am certainly not saying that the West is so good, that its solutions are so good. We have no alternative. As Churchill said: Democracy is the worst of all systems, but no one has thought up anything better. If, at the moment, we do not have a security system, if we have no other economic system, we must affiliate to what there is and then think about it.

[MOSKOVSKIYE NOVOSTI] When reading the Polish press, you realize that Kaliningrad is virtually the most acute question in relations between your country and Russia.

[Walesa] Kaliningrad, of course, is a relic of a bygone era, like Britain's colonies. Nothing can be changed because no one wants to fight or create a dangerous situation. Kaliningrad could now become a linking

bridge, a unique bridge at the junction between two cultures, the peoples, and economic concepts, but not a military base because today this is indeed a colonial base protecting goodness knows whom and goodness knows why. It is dreadfully costly and absolutely senseless. I know that there is nowhere for the soldiers to be taken to. I understand all that. it is just that we must think about how to live not on a basis of struggle but on a basis of logic.

[MOSKOVSKIYE NOVOSTI] But why must this base be regarded as an attack on Poland?

[Walesa] I am not criticizing. I am simply asking the question: If we are saying that there are no enemies and that we do not want to struggle—either NATO against Russia or Poland against Russia—why do we need this? An army should be stationed where the land is poor, not in a port where there is grain to be shipped and trade to be conducted.

[MOSKOVSKIYE NOVOSTI] Mr. President, what priorities would you highlight in Poland's eastern policy and in Polish-Russian relations?

[Walesa] In our era, nothing can be imposed on people. As politicians, we must encourage, offer incentives, remove barriers, and open up all ties. Life and the economy, businessmen and industrialists must do their job. We can only repeat to them: "Gentlemen, Moscow will always be nearer to Warsaw than to Washington." And, therefore, cooperation will always be more reliable and advantageous with Warsaw than with Washington: nearer, cheaper, and quicker. You cannot move either Russia or Poland to America. We are forced to depend on one another, we let everyone profit from this illogicality, from our squabbles. Let us come to our senses, turn this to our own advantage, and then invite others to join in.... [passage omitted]

Politicians View President's Recent Actions

WS0104130094 Warsaw RZECZPOSPOLITA in Polish 1 Apr 94 p 2

[Article by Ewa K. Czaczkowska and Marcin Dominik Zdort: "President Drives Coalition Politicians to Madness"]

[Text] "President Walesa wants to drive the governing coalition politicians to madness, and he is being successful: Aleksander Kwasniewski uses a ladder and a window to get out, just like the count of Monte Cristo; the leader of the Democratic Left Alliance [SLD] should ask for an extended long sick leave," claims Stefan Niesiolowski, when asked to comment on recent activities by Lech Walesa—namely, the fight with the governing coalition, his refusal to approve the nomination of Dariusz Rosati, and the announcement of his plans to veto the Budget Law.

According to the deputy president of the Christian-National Union [ZChN], Walesa has all along been implementing the same plan. He wants to be reelected for a second term. "Lech Walesa wants to destabilize the situation. He wants to rock the government coalition because...

In a Stable System He Would Have No Chance of Winning

...in the elections," believes Niesiolowski; he also perceives the president's activities as an attempt to return to their roots and to regain the popularity of the anticommunist electorate. The ZChN leader believes that another move by the president may be overthrowing the government and forming an interim government, and, finally, a repeat of history: the return of Walesa to save Poland from communism.

A diagnosis similar to this one was made by Janusz Piechocinski of the Polish Peasant Party [PSL]. "To achieve his strategic goal, the president must build a political camp, and right now he is demonstrating that only he, with his constitutional powers, is capable of stopping the center left. He claims that the alternative to the September winners is not the right wing, not the Democratic Union [UD] merging with the liberals, but himself—Lech Walesa. In this manner, he gives the Solidarity camp people to understand that, if they do not want to be defeated once again, he must again lead this camp, and only he himself is able to ensure efficiency and a victory for it," says the PSL deputy, who also noted that, while thinking about being reelected, the president is beginning to...

Force His Opponents to the Floor

"He says: Look, in only six months, I made the victorious Kwasniewski do such things as leave the Sejm premises with the help of a ladder. He is showing that he is active, that he is someone more than just the president. He confirms his importance." This is how Piechocinski evaluated Walesa's activities.

Zbigniew Siemiatkowski of the SLD is also convinced that all of the president's moves and actions serve only one purpose: reelection in the 1995 presidential election. "All of his activities are dictated by the desire to gain better footing before the presidential campaign; this is why he so determinedly fought with the National Council of Radio and Television. When it turned out that, contrary to his expectations, the council became an independent body and even the people appointed by him demonstrated considerable independence, there came a fierce attack, criticism of the entire council; he did this just to have television, a powerful weapon, at his disposal during the presidential campaign," claims Siemiatkowski.

"The other platform of the president's activities consists of criticizing his rivals. This is why...

The Brunt of the Attack Was Directed at Aleksander Kwasniewski

"In my opinion, the activities that aim at weakening the coalition are in fact caused by the desire to discredit the politician who seems to be his most important rival," says the SLD spokesman. He also says that the president is trying to win over new supporters before the next campaign. "This was supposed to be partially achieved by the people's constitutional initiative, which gave various extraparliamentary milieus the possibility of integration. Also, if the president does not sign the budget, it will be another attempt to find elements dissatisfied with the current economic policy; it will prove his desire to take over some of the social dissatisfaction that has been accompanying the economic reforms for years," believes Zbigniew Siemiatkowski.

According to Piotr Nowina-Konopka of UD, Lech Walesa's next term will depend on his ability to stabilize the political situation in Poland. However, Nowina-Konopka can see that the president's activities do not serve stabilization. "The president is thinking about his reelection in terms of positive developments in Poland. He is convinced that his reelection will be for the good of Poland. However, I am now submitting certain doubts whether...

Such a Manner of Approaching the Presidency

...serves the stability of the state," says the UD deputy.

Stanislaw Michalkiewicz, of the Union for Real Politics [UPR], believes that the recent moves by Lech Walesa should not be looked upon as attempts to destabilize the situation but, rather, as part of the fight for the shape of the political system in Poland. The UPR leader recalls that the left wing supported the parliamentary-cabinet government system, whereas Walesa believes that the balance of power should be respected. "A constant element of Lech Walesa's game is the following: When someone rises too high, Walesa draws up someone else from political nonexistence. This is what happened with Bielecki and then with Pawlak, who has come to the first division owing to Walesa, and who is still there." This is how Stanislaw Michalkiewicz tries to explain the president's intentions.

Krzysztof Krol of the Confederation for an Independent Poland believes that Lech Walesa, in all his activities, wants to maintain balance in the political scene and, in line with his constitutional powers, wants to represent the opinion of the people, deceived by the present governing coalition. "We should not look upon these activities as the presidential campaign."

"It is still too early for the campaign," adds Krol. According to him, Walesa will either force the coalition to implement the preelection programs of the SLD and the PSL, or it will want to form and support a minority government headed by Waldemar Pawlak.

Sejm Delegates Comment on Visit to Moscow

LD0204132894 Warsaw Radio Warszawa Network in Polish 1005 GMT 2 Apr 94

[Text] Following the return of a delegation of Polish members of parliament from Moscow, Sejm Speaker Jozef Oleksy has given assurances that Russia wants to develop good relations with Poland:

[Begin Oleksy recording] We were completely conscious of the purpose of this visit, and we were there to demonstrate that it is not only possible but also necessary for Poland and for Russia that our mutual relations be other than perhaps what they have been hitherto, even though the times then were different. Now, the times dictate the need for good relations with Russia for the implementation of Polish interests, and we confirmed in the course of the visit that Russia wants the same. There are no matters of dispute, there are no differences of view that could stand in the way or could be conditions incapable of being met, so that precisely these good Polish-Russian relations could come to fruition.

We talked with all of the well-known Russian politicians. We spoke with left-wing forces and right-wing and centrist ones. Concerning economic affairs, Russia, just like Poland, sees the opportunity for significant growth in the dynamics of trade turnover and of our own new joint economic, capital, financial, and investment undertakings. This is what Poland needs, this is what can serve the improvement of the situation in Russia.

We feel that this visit had a deep sense in political, economic, and state terms. And let no one seek in it something that was not there; let everyone find in it that which can serve Poland and Russia in thinking about Europe and its future, bilateral, and in thinking. [sentence as heard] [end recording]

Bronislaw Geremek, who was a member of the delegation, evaluates the visit as being very important:

[Begin Geremek recording] This is a visit that ought not to be measured in terms of what it was possible to achieve because this was not for executive power or for the signing of protocols. This was a political visit and, in my view, one of great significance because the Poles spoke the language of truth—various political groupings in various ways—but the hard language of truth. And the Russians replied to us in like fashion. We know at the moment where the differences of opinion lie. They relate to the issue of security, and they must relate to it. They relate to the issue of Polish participation in NATO, and they must relate to this. But, simultaneously, on the one side and on the other, there was a certain act of political will. It is worthwhile, for both Poland and Russia, to build normal relations. And, first, to start with the economy. There is business—Polish and Russian—to be done here, and it will show that there are no aggressive intentions on either side. In this sense, I judge that this was a successful visit. [end recording]

More on High-Level Army Meeting, Defense Budget

WS0104143894 Warsaw POLSKA ZBROJNA in Polish 1-4 Apr 94 pp 1, 7

[Article by Mariusz Jedrzejko and Krzysztof Jakobiec: "The Difficult Art of Management; Armed Forces Meeting on Economic Issues"]

[Excerpts] *The Army cannot do without money; the Army's functioning must take into account market mechanisms to an ever-increasing extent; commanders at all levels, apart from fulfilling a training and an organizational role, are also managers. These are just some thoughts and concepts that were articulated during a debate within the Armed Forces on economic issues that took place in Warsaw on 31 March.*

The meeting was organized by the Logistics Inspectorate of the Armed Forces' General Staff and included participants from the General Staff's leadership cadre, commanders of military districts, and commanders of the various branches of the Armed Forces, chief of the Finance Ministry [acting Finance Minister] Henryk Chmielak, chief of the Central Planning Administration [CUP], Minister Miroslaw Pietrewicz, Deputy Defense Minister Jan Kuriata, as well as representatives of the Supreme Chamber of Control, the Public Prosecutors Office, the Supreme Court's Military Chamber, and representatives of financial institutions and military educational units.

Interdependencies between the shape of the national economy and the possibility of meeting the tasks the Armed Forces have been charged with were strongly emphasized during the meeting. Despite announcements and declarations by various politicians, there has been no breakthrough in defense expenditures. *In 1994, 48.3 trillion zlotys will be appropriated for the Army, which, taking into account after-inflation figures, constitutes a drop of 1.8 percent from last year.* The amount appropriated for the Army is bound to have an impact on its shape, on the rate of restructuring done within it, and on the introduction of modern combat technologies.

Despite the popular expectations of participants at the meeting, speeches by the chiefs of the Finance Ministry and CUP failed to include prospects for financial assistance to serve the fulfillment of defense needs. Lack of a model of action, at least with the next two to three years in mind, to a large extent makes it impossible for the Armed Forces' leadership to plan administrative and structural changes or training activities. One could hear statements by Armed Forces' representatives in unofficial talk: This is not the kind of position we expected to see.

The existing problems and interdependencies cannot impede the changes that are being implemented—or that are being planned—in the area of managing the military economy. These issues were very strongly emphasized during a speech by General Zbigniew Zalewski, chief of the Logistics Inspectorate.

Army and Market Mechanisms

Because of our defense needs, we should be devoting 30 to 40 percent of the Defense Ministry's [MON] budget to structural transformations, new technologies, and technical infrastructure. In reality, only one-tenth of the above-mentioned budget will actually be spent on satisfying these goals. This situation is further exacerbated by a faulty tax system, which is responsible for so-called empty money flowing between and among state institutions (state budget institutions). Banks are the only party benefiting from the phenomenon.

According to General Z. Zalewski, when it comes to parliamentary debate on defense issues that will take place in the near future, *one should consider introducing a different type of tax system vis-a-vis the Armed Forces. It is also necessary to carry through amendments to the entire batch of so-called military-related statutes.* There are also possibilities of introducing such changes that would make it possible to implement modern mechanisms of managing and supervising the Army's assets. On that theme, *a proposal was presented, among other things, to establish an analytical center within the Armed Forces, which should deal with creating economic and financial fundamentals of the MON budget.* Measures that have been undertaken so far—for instance, a decrease of logistical units by 30 percent—made it possible to direct additional means to the Army's most important areas of activity. The need to search for sources of additional economic measures was reflected in a speech by General Marian Robelek. Among other things, a rationalization of organizational structures and further decreases in the number of additional and protective units should constitute a source for such economic measures. It will also be necessary to...

...Give Up Unneeded Military Premises

...the maintenance of which is a burden to the MON budget. Unless principles of transfer of assets are changed, and unless the resistance by the administration is overcome (the administration procrastinates with regard to taking control over unneeded sites), radical steps will have to be taken.

Given the limited resources that can be devoted to the Army's technical advancement, the following will receive priority treatment: purchases of reconnaissance and radio-electronic combat equipment, and also of command systems and antitank and antiaircraft systems.

The efficiency of implementing logistical concepts and eliminating irregularities in the military economy are an important problem. Among others, General Jan Wojtala, chief of MON's Supervision Department, spoke about this. [passage omitted]

The meeting did not resolve—it could not have—all of the problems faced by commanders and the Army's logistics branch. However, assessments and conclusions presented during the debate will make it possible to take the realities of military service into account in the decisionmaking process.

Situation of Banks Facing Unpaid Debts Viewed

WS0104141694 Warsaw GAZETA WYBORCZA in Polish 1 Apr 94 p 17

[Article by Konrad Sadurski: "Extension of Lessening Debt Burden"]

[Text] *Seven state-owned banks have managed to deal with a majority of old credits that have not been repaid and that amount to 16 trillion zlotys [Z], the Finance Ministry says. Throughout April, the banks must either sell the so-called bad debts or regard them as losses.*

By Thursday [31 March], the seven banks that have emerged from the Polish National Bank in 1989, were supposed to eliminate the so-called bad debts, which are worth approximately Z16 trillion. These are credits that companies have stopped repaying as early as before June 1991.

The law on lessening the debt burden allowed banks to decide what to do about dishonest debtors: to lessen their debt burden if the debtors' activity brings profit, to sell their debts, or to move to have the company in question declared bankrupt or dissolved. For banks not to get into financial trouble in the process of lessening the debt burden, the state budget gave the banks bonds worth Z11 trillion. At the same time, the budget imposed an obligation on the banks to get rid of the credits by the end of March.

There Are No More Old Debts Anymore

According to the Finance Ministry, banks had gotten rid of a majority of old debts by the end of February. "We will not have complete data until mid-May, once the bank's situation is examined by auditors," chief of the Finance Ministry Henryk Chmielak assured his listeners during a press conference held on Thursday.

By the end of February, banks have concluded about 50 agreements and contracts, which made it possible for them to restructure about Z3.6 trillion old credits.

"We have received signals that many banks managed to come to an agreement with their debtors only at the last moment. Yesterday, the Lublin-based Savings and Credit Bank signed an agreement with the Stalowa Wola steelworks," Minister Chmielak said.

"If a bank initiated proceedings before the end of February aimed at signing an agreement, it can continue with the proceedings.. But the agreement must be signed by the end of April," the minister warned. Banks have not yet completed their negotiations with companies that owe the banks about Z4.4 trillion.

Unsold Debts Mean Debts Without Value

In accordance with the law mentioned before, banks were also empowered to sell debts by bad clients at public auctions. This way, the seven banks wanted to get rid of financial claims worth Z980 billion. Two-thirds of those claims were actually sold.

A derivative market for selling financial claims has only begun its activity in March. "Banks are allowed to sell the remaining financial claims by 24 April—that is, before auditors initiate their control measures," employees of the Finance Ministry say. In their view, if banks are not successful in selling the debts of some companies, that will mean that the debts are without value, and the given bank will have to regard the money as a loss.

Strategic Debts Not Wanted

Banks did not know what to do about debts by those companies that are in trouble but that are of strategic importance to the economy, like, for instance, arms factories. "The Finance Ministry has made efforts to have debts by 38 companies taken over by an Agency for Industrial Development," we were told by Finance Ministry officials. But the agency refused to do that, saying that the companies are hopeless cases.

These companies owed about Z1 trillion just to banks, whereas their total debt amounted to Z8 trillion. The ministry decided that the banks must also sell the debts of these companies.

Banks have submitted motions to have companies declared bankrupt or to have them dissolved. This applies to those companies that owe the banks Z676 billion. Companies that have not repaid the seven banks' Z1.6 trillion went bankrupt or were eliminated. Some clients have initiated servicing debts worth approximately Z1 trillion.

Western Money, Clean Accounts

Banks must clean their accounts, and, in this way, they will become more attractive to investors during privatization.

"Privatization of those banks will bring two kinds of benefits to the state budget," Minister Chmielak argued. "First of all, the budget will receive revenue from the banks' privatization, and, second, the budget will not have to buy out the bonds that the budget had given to the banks."

After the sale of a bank, money to buy out the bonds would come from a State-Owned Fund for Bank Privatizations. The fund has about $650 million at its disposal; it was established out of the old Fund for Stabilization of the Zloty. A majority of the fund's monies comes from donations by other countries.

The money is in the Federal Reserve Bank in New York, and it earns interest. Privatization of a bank is the only

precondition for being able to use the money. First in line is the Krakow-based Industrial-Commercial Bank, which must be privatized by 20 January 1995.

—According to the Finance Ministry, it will not be possible to use the money out of the Fund for Bank Privatizations to buy out Z10 trillion worth of bonds that the General Savings Bank-National Bank and the Food Industry Bank had received. These banks received the bonds later, which means they must get rid of the debts by the end of September.

Solidarity's Jankowski on Union Protests

WS0104140494 Warsaw TYGODNIK SOLIDARNOSC in Polish 1 Apr 94 p 5

[Commentary by Maciej Jankowski, under the "In My View" rubric: "There Must Be Pressure"]

[Text] *The situation is very difficult. But one must get used to various things, including difficult situations. I have been saying from the very beginning of the protest action that one cannot expect spectacular victories, and that this will be a longer process that we must patiently go through. It will take at least several months.*

All around the world, including in the United States and Japan, the fight went on for months. That is also what will happen in Poland. It is my prediction that the protests' first effects will be visible in a few months, but I doubt that we will be successful in bringing this fight to an end.

After all, there is also the issue of constitutional provisions that we must make sure are enacted. If we want to secure ourselves by protecting employee rights, by protecting the rights of people who work in trade unions—and also in various organizations—for free, that must be covered by constitutional provisions.

We could not have waited any longer to begin the current protests. If we were to consider a one-time protest, perhaps it would be worth delaying the action by a month or two—that is, until society receives the first increased electric and natural gas bills—and then society's outrage will increase. But that was not the issue. The fact that the scenario did not materialize is proof of Solidarity's logical strategies, whose goal is a wide, social aspect and not just individual interests.

Right now, everything depends on the positions that people will adopt. More and more people are becoming aware that their economic and social rights are in danger. But perhaps not enough people are aware of that.

People still do not realize that they will not get anything without a fight: They will have no guarantee of the right to social insurance, to vacations, and to other types of benefits; they also do not realize that they will cease to be partners [as published]. But there will come a time when they will lose their patience.

I was not optimistic from the beginning that our demands would be met soon. That is because such is the practice adopted by subsequent governments for very many years now: Specific problems are not solved but, rather, obscured. And I can see no reason for that situation to change.

I said during a recent rally in Krakow that this is not the way it is going to be: We have appointed negotiators, who will deal with the government for us. If we do not make ourselves seen in public—in factories, on the streets, and at rallies—the negotiators' mission will fail. We experienced that before, for many years, not just after 1980 but also before. There must be pressure: If there is no pressure, our demands will remain just that and nothing else.

The trade union should work out a strategy of political action, and special centers for substantive work should be established for that purpose. Money must be found. What is absolutely indispensable is to establish a bureau for economic and social-policy analysis. We must present specific arguments to the people—the "Mazowsze" region [of Solidarity] is devoting 1 billion zlotys for that purpose already at this point. One must not spare money for that goal. We must also have a strong group that would be prepared to have the trade union participate in the mass media in order to present our arguments there. The trade union position on every issue important to society should be communicated.

Russia's Grachev Comments on Talks With Iliescu

AU0104153994 Bucharest DIMINEATA in Romanian 30 Mar 94 p 2

[Mioara Negescu report: "Pavel Grachev: 'We Had a Political Dialogue With President Iliescu'"]

[Text] On Tuesday [29 March] at Cotroceni Palace, Romania's President Ion Iliescu received Army General Pavel Sergeyevich Grachev, defense minister of the Russian Federation. The meeting was attended on the Romanian side by National Defense Minister Gheorghe Tinca and presidential counselors [Colonel General] Vasile Ionel and Traian Chebeleu.

In a statement made to the press after his meeting with President Iliescu, the Russian minister noted that "we agreed that our economic relations could be improved and enlarged, and this may only be achieved if the prime ministers of Romania and Russia meet in the very near future.

We had a political dialogue with Mr. Iliescu, during which I briefed your president on the political situation in our country, on the actions taken both by the [Russian] government and President Yeltsin to solve various domestic and foreign policy issues, as well as on the stage reached in the reform. I asked President Iliescu whether he has a message to be conveyed to President Yeltsin, and he very clearly replied that Romania wishes to cooperate more closely with Russia and that he wishes to meet President Yeltsin as early as this year. As a matter of fact, Russia's intentions are identical, in the sense that it also wishes to strengthen relations between our countries, as from a certain moment those relations have unfortunately become looser. Together with President Iliescu we also touched on the issue of the Partnership for Peace. We share a number of views: The Partnership ought to be based on the principles of equality among its members, there should not be any teachers and pupils, there should be a basic balance and mutual advantage, and all European states, under equitable conditions for all, should be involved in the ensuring of their joint security."

New SRI Counterintelligence Chief Appointed

AU0104141794 Bucharest EVENIMENTUL ZILEI in Romanian 26 Mar 94

[Article by Daniel Balan: "Colonel Mihai Lupu Is the New Chief of Counterintelligence Division"]

[Text] The newly appointed chief of the Counterintelligence Division of the Romanian Intelligence Service [SRI] is Colonel Mihai Lupu, a professional of the secret services.

Lupu has worked most of his career at Military Unit 0544 (Foreign Information Directorate) both at the headquarters and outside the Directorate.

In 1983, he was appointed chief of the Directorate and deputy chief of Military Unit 0110, which was led by General Victor Niculicioiu. The unit, one of the most efficient in the former State Security Department [DSS], was in charge of counterintelligence in the former USSR area and the other socialist countries. General Niculicioiu's other deputy was Colonel Vasile Ionescu, who was transferred to reserve duty after the 1989 December events.

Colonel Mihai Lupu excelled in the counterintelligence structures because of his experience at the Foreign Information Directorate but also because he is considered a very well-informed person about the methods of the secret services in the former socialist countries.

After the establishment of the SRI, he worked in the counterintelligence Division and was General Gheorghe Diaconescu's deputy.

Dismissal of Diaconescu Explained

AU0104141394 Bucharest EVENIMENTUL ZILEI in Romanian 25 Mar 94 p 8

[Article by Dan Maracineanu, Daniel Capatos, and Dan Damian: "The Head of the SRI Counterintelligence Division Was Dismissed Because He Collected Evidence Against Virgil Magureanu"]

[Excerpts] The recent dismissal of the head of the SRI [Romanian Intelligence Service] Counterintelligence Division, Major General Gheorghe Diaconescu, stirred quite an uproar among employees who were his subordinates. As far as the reasons for Maj. Gen. Gheorghe Diaconescu's dismissal are concerned, numerous variations have been circulating, and the decision of the SRI Director Virgil Magureanu are explained through accusations of espionage against presidential counselor Marin Pancea.

Unauthorized sources at the SRI Press Bureau told us that the dismissal of the head of the SRI Counterintelligence Division is only settling accounts at the level of the SRI leadership.

In fact, it was for the first time that the reason for Diaconescu's dismissal has been mentioned, namely: "He was concealing documents of an intelligence nature." This is the claim made by SRI Director Virgil Magureanu before the Parliamentary Commission in Charge of Supervising the SRI Activity.

In reality, it seems that Diaconescu has been in possession of certain files according to which the SRI director, that is, General Virgil Magureanu, and his first deputy, Maj. Gen. Victor Marcu, were involved in certain crooked affairs that brought them a lot of money.

Diaconescu notified the Prosecutor's Office of Romania, namely, the deputy prosecutor general, Maj. Gen. Mihai Ulpiu Chercheleanu, head of the Military Prosecuting Magistracy and former prosecutor general of Romania, who sealed the file containing the respective documents

and affirmed that he is not authorized to solve the respective issue. The SRI leadership acted immediately and, as a result of their action, the head of the SRI Counterintelligence Division was dismissed.

At the end of the talks that he held with the SRI director, the head of the SRI Counterintelligence Division, Diaconescu, warned Magureanu that it would be advisable for him not to empty the filing cabinet, because he is able at any time to reconstruct them from memory.

Dismissed, Hospitalized, Released

On Friday 18 March, a Bucharest daily published an article according to which the former head of the Counterintelligence Division General Diaconescu is hospitalized at Bucharest Hospital No. 9, undergoing alcoholic detoxication treatment. More than that, the reporters of the same daily found out that Diaconescu was being treated in a severely guarded ward and his meals were brought to him from home.

The second day however, in the same daily that published the aforementioned piece of news, Diaconescu himself published a denial of the respective news.

In reality, things happened rather differently. One day before the "bombshell" was published, SRI Director Virgil Magureanu had a discussion with Diaconescu and ordered him to go to a hospital. The former chief of the Counterintelligence Division refused categorically to do so. The publication of that piece of news, which was sent to the paper's editorial office before learning about Diaconescu's reaction to Magureanu's suggestion, could no longer be stopped.

Thus, the next day, the denial was published, representing Diaconescu's right to respond to accusations.

The Documents That Were Not Reported by Maj. General Gheorghe Diaconescu and Were Sealed by the Prosecutor's Office Are Compromising For the SRI

After having been on active duty for over 25 years at the head of Romanian Counterintelligence Service, Diaconescu was dismissed from his office by SRI Director Virgil Magureanu on 15 March 1994. [passage omitted]

The dismissal of Diaconescu, head of the Counterintelligence Division on grounds that "he failed to inform the SRI leadership of the contents of certain documents" was generously offered to the press by the SRI leadership because they knew that the true reasons for this demotion will be clarified much later.

The fact that the head of the Counterintelligence Division "held back certain documents" is not unusual. Through his duty, Gheorghe Diaconescu could hold back not only a few but hundreds of documents that contained information of an operational nature, because the nature of his office allowed him to do that.

SRI sources affirm that the respective documents contained data with "certain aspects that might have been compromising for certain people in the SRI leadership." [passage omitted]

Magureanu Denies Wrongdoing, Defends SRI

AU0104195294 Bucharest CURIERUL NATIONAL in Romanian 30 Mar 94 p 3

[Ralu Filip report on news conference by Virgil Magureanu, director of the Romanian Intelligence Service; in Bucharest on 29 March: "In the Past, the KGB Coopted Many Romanian Politicians"]

[Text] In my report on the previous news conference of Virgil Magureanu, director of the Romanian Intelligence Service [SRI], I noted his desire to give a new image to the institution that he heads, one that should definitely distinguish it from what the Securitate was and meant for the majority of the Romanians. One cannot say that Magureanu's efforts in this respect are groundless, if we think of the immediate past and the overall context of suspicion in which the SRI was created and is now carrying out its activity. Therefore, on a scale of priorities, the problem of its public image is the SRI's number one problem, as Magureanu confirmed, in a way, at his latest news conference.

"I can assure you that there has been a positive change in the image of our institution after the re-election of its director and the confirmation vote in Parliament. First of all, the attacks against the SRI, according to the old formula that it was the successor of the old Securitate, have ceased, if not totally, at least to a large extent. Moreover, Magureanu believes that the SRI's image, as reflected in the national mass media, will further improve in the coming months. "I would like to assure you that we have done and will continue to do all we can to make this image more credible and acceptable to the Romanian public."

Tackling the subject of changes made in the territorial and central leaderships, Magureanu said that "this is the third stage of the changes." The first took place at the time of the SRI's creation, when "we took over only a third of the old Securitate." The second stage was completed in 1991, when some 25-30 percent of the SRI personnel was laid off, since their services were no longer needed. The third stage began after the vote in Parliament, that is after Magureanu's confirmation as SRI director. "We are not making any purges. It is just that 25 percent of the territorial and central command structures have been replaced."

Asked why General Gheorghe Diaconescu, the former counterintelligence chief, was dismissed, Magureanu tersely said that he was dismissed "mainly for professional reasons," without giving any concrete details. Similarly, Magureanu denied the existence of compromising files about himself. "If anyone has any proof against me, he should not hesitate to bring it up. I am keenly waiting to see any files put together against me."

Regarding the case of General Cristea [Major General Dumitru Cristea, the rector of the Higher Institute for Information Studies and deputy SRI director, accused of having an affair with a former female student], the SRI director said: "I took no decision in connection with General Cristea's departure from our structures." Calling him "a friend and colleague," Magureanu said the following in connection with the allegations of immorality against his deputy: "It may all be nothing but someone's concoction against someone else."

Asked about the Pancea case [Lieutenant General Marin Pancea, former secretary of the Supreme Defense Council, accused of espionage], the SRI head said that "there is no proof that General Pancea has worked against Romania during his posting abroad." Similarly, the SRI has no proof that General Pancea would have spied for the KGB.

Referring to certain documents and articles in the magazine ROMANIA MARE, Magureanu said that "someone is fabricating lots of material in our name. After the situation got out of control, everybody nonchalantly put the blame on the SRI. This is not true. We will make public the names of the people who leaked information and the way that the information reached the press, since their deeds harmed our institution." However, some documents are indicative of "yet unidentified leaks," which require further SRI internal investigations.

Answering the representative of Russian Television, Magureanu said that the KGB has pursued intensive activity in Romania by also coopting several politicians, which was also confirmed during his visit to Moscow. He said that these people are still under the scrutiny of the SRI.

In Magureanu's opinion, two of the dangers threatening Romania are the mafia-type structures operating in Russia and the states that used to make up the Soviet Union (structures which are involved in organized crime) and the Italian Mafia, which is laundering dirty money in Romania.

Defense Minister Outlines Military Doctrine

AU0304144194 Bucharest DIMINEATA in Romanian 30 Mar 94 pp 1, 2

[Interview with Defense Minister Gheorghe Tinca by Marian Ivancu; place and date not given: "We Rely on the Essence of Our Military Doctrine"]

[Text] [Ivancu] Mr. Gheorghe Tinca, you are the first civilian in the post-war era to be appointed head of the Ministry of National Defense. What are the political implications of the appointment of a career diplomat to the position of defense minister?

[Tinca] It is obvious that the Army cannot be torn away from the Romanian social context. Its integration in the institutional system is totally different from what we understood as the relations between the Army and the political body in the past, when the Army was under the control of a totalitarian party. The Army institution will undoubtedly have links with the political structures, but they will be adjusted to the current pluralistic and democratic political system.

The main issue is to protect the Army against partisan political influences. It cannot afford to tailor itself to the political interests of any given party, thus deflecting its attention from the main mission, which is the defense of the country.

The civilian minister must ensure interaction between the Ministry of National Defense and the other state institutions or political forces in society. I was well received at the Ministry of National Defense and I feel encouraged by the people surrounding me. Their kindness and hope obliges me to do my best. The Ministry of National Defense is engaged in many contacts with the ministries of other countries. I could say that we are conducting a very intensive military diplomacy at this time. Therefore, the presence of a diplomat at the Ministry of National Defense has been considered as opportune.

[Ivancu] What direction is the Romanian Army taking?

[Tinca] A new geostrategic context has emerged, which requires a restructuring of the Army's missions, a readjustment of its equipment and training, and a process of reevaluation on the organizational plane. The Army must be the supreme defense instrument of our authentic national values, as stipulated by the Constitution.

[Ivancu] How do you estimate the defense budget? Are there ways and means for self-financing?

[Tinca] The Army's budget is relatively small. It is in accordance with the possibilities of our economy. I believe that the Army could find self-financing solutions in certain spheres. However, we must be careful that these measures do not impinge on the Army's training and equipment.

[Ivancu] What significance do you attach to the national armaments industry?

[Tinca] I appreciate the fact that the mass media has played a positive role in sensitizing public opinion on the difficulties faced by the national arms industry. One should realize that part of the budget money must go to this industry. One cannot have a modern army without making some effort and without ensuring its modernization in the technical, productive, and creative spheres. By proceeding cleverly and courageously, it is possible to ensure that production in the military sphere also have a positive impact on other spheres of our national industry.

[Ivancu] In what stage is the process of working out Romania's military doctrine?

[Tinca] Romania's military doctrine is being elaborated through the conjunction of the country's institutional

and political factors. This document, which is being consolidated now, will be shortly submitted to the approval of the Country's Supreme Defense Council (CSAT). On the other hand, there is also the Integrated Concept on Romania's National Security (CISNR), a broader program that also includes the military aspect. This document is also being processed now, with a view to its adoption by the CSAT. The two documents will be endorsed by the CSAT and then submitted to parliament.

[Ivancu] What is the situation of Romania's military alliances?

[Tinca] Regarding the system of alliances, the situation is tougher here, since we do not have military alliances and no security guarantees either, in a military sense. However, we rely on the essence of our military doctrine and the essence of our defense policy. They are in accordance with the interest of many countries to have stability in our region and to be able to count on us in this respect. It is up to us to consolidate these interests and draw further sympathy and support. All our history proves that the essence of Romanian military policy has been defensive. We did not attack anyone. We only entered World War II because the Ribbentrop-Molotov Pact obliged us to do so, including from the viewpoint of military honor.

[Ivancu] What role is played by the "Partnership for Peace" agreement? What is Romania's political-military orientation?

[Tinca] "Partnership for Peace" is no political-military alliance and offers no guarantees in a military sense. Nevertheless, it contributes to achieving stability, by granting equal treatment to all participants and by its convergence with our purely defensive military interests. It is a long process, which presupposes compatibility and gradual integration. We hope that we will also stand to benefit a bit from it, in the military technology and research spheres. We are interested in having peace around our country and in Europe and we want to develop relations with our neighbors, based on respect for international norms. Tensions and particularly conflicts are not good for us.

Our long-term political-military and economic orientation is in accordance with our national interests and not with set patterns or passing fads. The overall modernization of the country does not mean losing one's identity in action, but necessarily requires various forms of integration.

[Ivancu] How does the Ministry of National Defense view international military cooperation?

[Tinca] The Romanian Army is interested in modernizing its technology in a price-efficiency ratio as favorable as possible to the targets of our national defense.

We very much want to develop cooperation with the United States and other developed countries. In this respect, I would like to remind you that we cooperated with the developed countries in the sphere of defense industry before 1989, too.

The elimination of obstacles raised by the Coordinating Committee for Multilateral Export Control (COCOM) creates better prospects for cooperation in combat technology. We also hope that the "Partnership for Peace" agreement will entail positive developments in this respect, too.

[Ivancu] What is Romania's riposte efficacy and capability?

[Tinca] There is no reason to fear that the Army is not prepared, that it is hesitating or overwhelmed by difficulties, or that it cannot fulfill its basic duty of defending Romania's sovereignty and territorial integrity. We, like others, have problems and, unfortunately, have also had some accidents. But it would be wrong to draw hasty conclusions about the combat capacity and determination of the Romanian Army. It is not bad that these problems are brought to the fore in the media. The public becomes acquainted with our problems and thus more aware of the Army's needs.

[Ivancu] What, in your opinion, are the prospects of the Romanian Army?

[Tinca] I hope that the Army will make substantial progress in its modernization. For this year, I would like the Army's operative capability to be maintained and improved within the limits of the funds allocated to us from the budget. I—and not just me—am convinced that greater emphasis should be placed on the social protection of military personnel. It would be unjust to leave the soldiers—who love their country both in good and hard times—outside the current concerns with easing up the difficulties of the transition. However, I believe that now, when the Army is in full swing of the reform process, the civilian society should clearly indicate that it understands the Army's difficulties, including the social problems of the Army's military or civilian personnel.

Poll Shows Iliescu's Declining Popularity

AU0104134894 Bucharest ROMANIA LIBERA in Romanian 28 Mar 94 p 3

[Simona Popescu article: "The Vacaroiu Government Is Compromised for the Majority of Romanians"]

[Text] The day when President Ion Iliescu signed the document pardoning his colleagues from the Communist Party, IMAS [opinion poll institute] published the results of the opinion poll initiated by the Soros Foundation For an Open Society. Probably sensing a decline in his popularity, President Iliescu probably hurried to do what was possible for the former members of the Political Executive Committee. As could be noted, the Social Democracy Party of Romania [PDSR] recorded a decline compared with September 1992; only 24 percent opted for it while, according to IMAS, the Democratic

Convention [CDR] has recorded a tremendous rise, winning approximately 35 percent of the population's options.

CDR President Emil Constantinescu is the most favored leader of the opposition, winning 49 percent support; thus he surpassed Nicolae Manolescu [president of the Civic Alliance Party] (33 percent), Sergiu Cunescu [president of Social Democratic Party] (26 percent), and Petre Roman [president of the Democratic Party] (41 percent). With 55 percent of the options, Adrian Nastase [executive president of the Social Democracy Party of Romania and president of the Chamber of Deputies] is a dangerous opponent for President Ion Iliescu (44 percent). If Ion Iliescu decides for a new mandate, he is not going to let Adrian Nastase (who has firmly taken over the leadership of the unrelenting faction within the PDSR) run in the future elections, and thus a strong conflict could develop within the ruling party. There are signs that the president of the Chamber of Deputies is impatient to get to the top.

The affirmation by Prime Minister Nicolae Vacaroiu that the standard of living has improved is contradicted by the opinion poll results. If 45 percent affirm that the current incomes of the family are enough just for what is strictly necessary, while 27 percent think that incomes are not even enough for that much, only 2 percent are coping with everything they need, without any savings. The government's activity, its economic policy, its anti-corruption measures, the level of wages, the standard of living, and its actions against crime generate massive dissatisfaction among the population.

The hope that a completely compromised government will be able in the future to take the country out of the economic crisis, that it will be able to do something to improve the standard of living has been shattered.

Serb Attack on Gorazde, Mostar Continues

Casualties Reported

LD0204181394 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 2 Apr 94

[Text] According to a statement issued by the republican health headquarters, six people were killed and 16 wounded in the Gorazde and Mostar areas over the last 24 hours. No casualties have been registered in Sarajevo.

Serbs Caution Against More Observers

AU0404140294 Paris AFP in English 1329 GMT 4 Apr 94

[Text] Sarajevo, April 4 (AFP)—Bosnian Serb leaders warned the UN Protection Force [UNPROFOR] on Monday [4 April] against sending more military observers to Gorazde as Sarajevo radio reported "bitter fighting" around the besieged Moslem-held enclave in eastern Bosnia-Herzegovina.

Spokesman Rob Annink said the Serbs had advised UNPROFOR to put off the dispatch of a team of UN military observers (UNMO) to Gorazde because of what they described as a Bosnian army offensive carried out from Gorazde both towards Zepa to the north and towards Sarajevo, further west.

Sarajevo radio said fighting was continuing around Gorazde for the seventh straight day. Since besieging Serb forces launched shelling attacks on the enclave last Tuesday, according to the Bosnian authorities, 47 civilians have been killed with 207 others wounded.

The radio said around 30 troop transporters had arrived bringing reinforcements to the Serb side.

Sarajevo has called on the international community to take action to protect the enclave, designated by the United Nations last year as a "safe area."

Only four UNMO members are currently stationed in the enclave, so that UNPROFOR is able to obtain only limited information about the situation there.

Annink moreover said a convoy of three light armoured vehicles, three tanks, three trucks and three mortars had been seen crossing the military exclusion zone, travelling towards Gorazde, in clear violation of the February ceasefire accord between Bosnians and Serb separatists.

The Serb authorities in Pale, the separatist stronghold, have refused to allow a convoy of aid provided by the UH High Commissioner for Refugees to make its way to Gorazde, giving no reason, UNHCR spokesman Kris Janowski said.

Meanwhile the situation in Prijedor in western Bosnia, where last week 18 Moslems and two Croats were murdered by local Serbs, was calm Monday as Red Cross spokeswoman Vanya Kewley said talks were beginning at Pale to organise the evacuation of up to 6,000 people from the region.

Janowski, citing a UNHCR official in Prijedor, said there were no Serb police patrolling the streets of the town.

The police chief in the town, Bogdan Delic, had asked Moslems to stay, offering them security guarantees. However this had not been enough to reassure the Moslem population, Janowksi said.

Kewley said Andreas Kuhn, head of the International Committee of the Red Cross (ICRC) delegation in Zagreb, was to meet the Bosnian Serb authorities to work out details of the operation, which would be the largest organised movement of civilians since the fighting began in April 1992.

The operation to be carried out by ICRC and UN personnel is to begin on Tuesday.

Bosnian authorities have given their assent to the operation after the killing of the 20 non-Serbs heightened the insecurity of Moslems and Croats remaining in the area around Banja Luka, a Serb-controlled territory. UN and ICRC officials have denied that this is tantamount to aiding the Serbs in their campaign of ethnic cleansing.

Major Serb Attack Expected

AU0404084994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 4 Apr 94

[Report by Enes Musovic]

[Text] According to the reconnaissance-intelligence reports of the special units of the East Bosnian Operations Group of the Army of Republic of Bosnia-Herzegovina and the Gorazde Ministry of Internal Affairs, the Serbo-chetnik aggressor is going to launch one of the fiercest attacks on Gorazde today. The attack is expected from the direction of Foca and (?Prata).

Yesterday and overnight, the aggressor brought in 30 more armored vehicles along with well-armed and fresh troops consisting of members of the Herzegovina Corps, local chetniks. and Russian and Romanian mercenaries.

Meanwhile, the Serbo-chetnik aggressor is continuing the intensive artillery and infantry attacks on the defense lines of the Gorazde defenders and civilian targets in this area. The courageous fighters of our army last night repelled a strong attack on Popovaca by drugged murderers. The attack lasted more than two hours. In this fierce fighting, the chetniks suffered major losses. One defender of Gorazde was slightly wounded.

This morning, the chetniks carried out one of the fiercest artillery-infantry attacks on Lastan, the 13th attack since the beginning of the offensive on Gorazde. Even though every single inch of territory in this region is literally

being turned over by the destructive power of high-caliber projectiles, the fighters of Lastan and all other defense lines are saying that the ideas of war criminal [Radovan] Karadzic will never materialize in this region and that this region will always remain free

This is Enes Musovic reporting for Bosnia-Herzegovina radio and television from the the Gorazde region press center.

Serb Offensive Begins

AU0404110394 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 4 Apr 94

[Report by Mustafa Kurtovic]

[Text] Mustafa Kurtovic reports that the aggressor has just started the announced offensive on Gorazde. A general danger alarm has already been sounded in the town.

[Kurtovic] The Serb-Montenegrin aggressor this morning started [words indistinct] offensive on Gorazde code named Vihor [Whirlwind]. [Words indistinct] according to the first reports that we received from the front lines shortly before sending this dispatch, the situation is extremely dramatic. Fierce battles are being fought. Everything between [name indistinct] and Lastan is virtually in flames. The insane hordes of war criminal Karadzic are attacking our defense lines with the infantry. They are enjoying a (?strong) support of artillery, tank, armored personnel carriers, and other heavy weaponry.

We have been just informed that the chetniks are concentrating fresh forces in the region of (?Becici). [Words indistinct] direction of [words indistinct] organizing strong attacks on [words indistinct] and Borovija. Members of the Bosnia-Herzegovina Army, under the command of the East Bosnian Operations Group, and the units of the Gorazde Ministry of Internal Affairs, together with, [words indistinct] are energetically responding to the attacks by the aggressor and are firmly holding all lines of defense.

Silajdzic Condemns Lack of Reaction

AU0104200394 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 1 Apr 94

[Mladen Bosnjak report on the statements by Bosnia-Herzegovina Prime Minister Haris Silajdzic and Raymond Flynn, U.S. ambassador to the Vatican, in Sarajevo on 1 April—recorded]

[Excerpt] [Bosnjak] Mr. Silajdzic stressed at the beginning of his statement that the arrival of Raymond Flynn, U.S. ambassador to the Vatican, again confirmed the interest of Bill Clinton and Holy Father Pope John Paul II in the situation in Bosnia-Herzegovina. Then he said:

[Silajdzic] As for me, unfortunately I had to tell the ambassador about some things that do not sound very optimistic, generally speaking, and asked him to convey this to the highest authorities. What I said is that the continuation of the peace process is endangered with the latest attacks on Gorazde—a massive offensive is under way, and many people are being killed, innocent people; with the attacks on Bihac, and the ethnic cleansing, the new wave of ethnic cleansing—against which President Izetbegovic protested yesterday—that is taking place in Bosnian Krajina.

Today I received information from the chairman of the International Red Cross, responsible for central Bosnia and Bosnian Krajina, who said that we have to either protect the 6,000 people in Prijedor and the surrounding area or move them out. Their lives are in danger. This is very bad news.

In connection with Gorazde, the international community is silent about it. A zone that has been proclaimed protected by a UN Security Council resolution is under attack. An offensive is underway, and many people have been killed. I am certain that the UN Protection Forces [UNPROFOR] in Bosnia-Herzegovina can follow the development of the situation, they can see it on their television here in Sarajevo, and their command knows very well what is going on. The United Nations has been informed; the Security Council has been informed. However, there is no reaction. The situation is repeating itself, where the aggressor is allowed to do almost anything he wants. I will repeat, the continuation of the peace negotiations has been seriously endangered with these latest activities by the aggressor in the region of Gorazde and Bihac, and the ethnic cleansing of the remaining non-Serbian population in Bosnian Krajina.

[Bosnjak] Ambassador Flynn expressed the concern and the understanding of the American people for the suffering of the people in Bosnia-Herzegovina, and spoke of the appeals and prayers of the Holy Father for the return of peace. [passage omitted]

Government Issues Statement on Ethnic Cleansing

AU0404144694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 4 Apr 94

[Text] Reviewing the grave situation in the republic which resulted from the continued aggression and ethnic cleansing on the occupied territories of the republic, our country's government, at today's session—Prime Minister Haris Silajdzic presided—adopted the following statement:

Two years have passed since the aggression on the sovereign and internationally recognized Republic of Bosnia-Herzegovina. The consequences of this aggression are over 200,000 killed and some 1,250,000 refugees and displaced persons. Unfortunately, the Serbian occupying forces are continuing the process of ethnic cleansing with relentless intensity, particularly in the areas of Banja Luka, Prijedor, Stipovo, Jajce, and other parts of the Bosnian Krajina.

The international public is acquainted with the dramatic news of murders and other forms of pressure against the non-Serbian population and with preparations for the evacuation of the remaining non-Serbian population. The government uses this occasion to lodge an energetic protest because of the fact that the international community is not showing a readiness to stop the aggressor in this fascist endeavor.

We call on the United Nations, the European Union, and the United States to do everything in their power to prevent the conclusion of the process of ethnic cleansing and that all citizens are granted the elementary conditions for safety of property and personal safety, and are guaranteed all other human liberties and rights established by international treaties and the Bosnia-Herzegovina Constitution. We call on all states, signatories of the Convention on the Prevention and Punishment of the Crime of Genocide from 1949 to carry out immediately all the obligations pursuant to this convention.

The Bosnia-Herzegovina Government believes that the international community has failed to react to the Serbo-Montenegrin aggressor's attacks at Gorazde and Bihac. Since these attacks are attacks on protected areas as stipulated by UN Resolution 824, the Bosnia-Herzegovina Government has taken measures with the goal of activating the mechanisms of the UN Security Council in order to stop these attacks and protect the civilian population. The government maintains the position that the aggressor is calling into question the continuation of peace negotiations and that the international community is obliged to take all measures to stop the attacks and create conditions for the continuation of the peace process.

Officials, Iranian Envoy Discuss Cooperation

AU0104192294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 1 Apr 94

[Text] Bosnia-Herzegovina Prime Minister Haris Silajdzic, Deputy Prime Minister Edib Bukvic, and Foreign Minister Irfan Ljubijankic received Mohammad Zarebi, ambassador of the Islamic Republic of Iran, and held long and friendly talks with him today.

Our government expressed its gratitude to the Islamic Republic of Iran and its people for the aid that this country has given to the Republic of Bosnia-Herzegovina at its most difficult times. This is said in a Ministry of Information statement.

The talks also concerned economic cooperation between the two countries. Ambassador Zarebi gave assurances of the Islamic Republic of Iran's readiness to influence the process of distribution of investments in Iran to businesses from Bosnia-Herzegovina under favorable conditions, and the distribution of funds for the revival of the economic potential of our country.

Tatjana-Ljuic Mijatovic, member of the Bosnia-Herzegovina Presidency, also received Iranian Ambassador Mohammad Zarebi and his associates. The talks, which concerned further activities aimed at activating the initiative for a peaceful solution to the Bosnia-Herzegovina war tragedy, were attended by Presidency member Mirko Pejanovic, who is also chairman of the Serbian Civic Council; Ljubomir Berberovic, deputy chairman of the Serbian Civil Council, and Rajko Zivkovic, secretary of this council.

Miro Lazovic, chairman of the Bosnia-Herzegovina Assembly, received Mohammad Zarebi, ambassador of the Islamic Republic of Iran to Bosnia-Herzegovina, today. During long and friendly talks, Lazovic informed the Iranian ambassador of the views of the Bosnia-Herzegovina Assembly, and the efforts of professional legal bodies to establish peace in the country.

The Iranian ambassador expressed his satisfaction with the establishment of peace between Bosniaks and Croats, saying that this was an important step toward reaching a lasting and just peace throughout the territory of Bosnia-Herzegovina. Zarebi expressed his government's hope that Karadzic's Serbs would join the peace process based on the Washington document, which would preserve Bosnia-Herzegovina as an independent and sovereign state within its internationally recognized borders. He conveyed the support of his country for all peace efforts on the territory of the former Yugoslavia. The Iranian ambassador expressed his hope that the embassy of the Islamic Republic of Iran would open in Sarajevo as soon as possible.

Muslim Leader Calls For Assistance for Sandzak

LD0204171094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 2 Apr 94

[Text] [Announcer] Today Sulejman Ugljanin, the chairman of the Muslim National Council of Sandzak [Muslimansko Nacionalno Vijece Sandzaka], held a news conference during which he spoke of the difficult position of the Muslim nation in Sandzak and the need to solve the national problem of the Sandzak Muslims within the framework of the international conference on the former Yugoslavia. Senada Cumurovic has a report.

[Begin recording] [Cumurovic] In the beginning of his news conference, Sulejman Ugljanin noted certain inconsistencies in the work of the international conference on the former Yugoslavia which is solving the national problem of Croats and Serbs globally, while only the Bosnian national problem has been reduced to solving the status of the Bosnians within the borders of Bosnia-Herzegovina alone. The aim of his visit is to alert the Bosnia-Herzegovina parliament and the international community to this problem.

[Ugljanin] You all know that the policy of the Muslim National Council of Sandzak is to solve the Yugoslav crisis by agreement and by peaceful means. The priority

of our policy is a sovereign and unitary Bosnia-Herzegovina and a special status for Sandzak. A special status for Sandzak is the only way to prevent the (?cruel) ethnic cleansing of the Sandzak Bosnian people from that area.

[Cumurovic] The establishment of a special status for Sandzak implies the demilitarization of Sandzak, the right to display Muslim national symbols, education that honors the identity of the Muslim nation, and forming their own assembly and government. Explaining the difficult situation in Sandzak, Ugljanin pointed out the fact that the entire political leadership of the Muslim nation in Sandzak has been arrested, precisely at the time when the national problem of the Muslim nation is being solved.

[Ugljanin] I will briefly tell you that since the beginning of the Serbian and Croatian aggression against Bosnia-Herzegovina, eight Muslims were killed in 1992, [words indistinct] and 181 Muslims have gone missing. Around 60 houses were destroyed by planted bombs, as well as almost 1,000 business premises, four mosques, and so on. Several thousand houses belonging to Sandzak Muslims (?have been attacked) by Serbs and Montenegrins in cooperation with the Serbian and Montenegrin police.

[Cumurovic] This tragic position of the Muslim people in Sandzak has led to the following demand by the Muslim National Council:

[Ugljanin] To urgently send CSCE observers, that is, a permanent CSCE mission with greater authority than the previous one had, to send UNPROFOR [UN Protection Forces], the UN forces for the prevention of conflicts, and to release the arrested political leaders of the Muslim people. We have placed this request with the European Twelve, the Geneva conference, and the United Nations, and I would like to repeat it during this news conference.

[Cumurovic] Answering the question of whether an armed attack on Sandzak by Serbs and Montenegrins was possible, Ugljanin said:

[Ugljanin] You know that 29,000 members of the Serb-Montenegrin Army are deployed in Sandzak on top of their peace time troops, that Muslim houses are searched every day, mainly at night between midnight and 0600 in the morning. Family members are harassed, our people are arrested. [Passage indistinct] Now, when the Bosnian crisis is over, we are expecting an open Serbian and Montenegrin aggression against [word indistinct].

[Cumurovic] Sulejman Ugljanin also presented the following figures: 69,000 residents of Muslim nationality have left Sandzak in the past three years, and 59 villages bordering with Bosnia-Herzegovina have been ethnically cleansed. All this points to the need to solve the status of Sandzak, but not within the framework of Serbia and Montenegro, but within the framework of the international conference on the former Yugoslavia, it was said at the news conference today. [end recording]

UN Confirms 19 Murders in Prijedor

AU0104192394 Paris AFP in English 1905 GMT 1 Apr 94

[Text] Sarajevo, April 1 (AFP)—Seventeen Moslems and two Croats have been murdered in the Serb-controlled western Bosnian town of Prijedor in the past two days, Kris Janowski, spokesman for the UN High Commissioner for Refugees, said Friday [1 April].

Janowski said he had received the figures from the Moslem humanitarian organisation Merhamet, but that a UNHCR official who had visited the town Friday said the figures were "probably right."

UNHCR on 'Campaign of Terror' Against Muslims

AU0104155994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 1 Apr 94

[Text] Kris Janovski, spokesman for the UN High Commissioner for Refugees [UNHCR] in Sarajevo, presented today, as he put it: Alarming news from Banja Luka on the intensification of the campaign of terror against the Bosniak people in that part of Bosnia. Over the last few days in Prijedor at least 7 Bosniak civilians were killed in retaliation for casualties the aggressor's army suffered in central Bosnia. The civilians were murdered after bodies of six of the aggressor's policemen, killed in the fighting around Doboj, were returned to Prijedor. All the Bosniaks have had their telephones cut off. The UNHCR was first informed of this terrible crime by a Muslim woman hiding in the house of her Serb neighbor.

[Word indistinct] is continuing in Sanski Most, where Serb refugees are moved into the homes of Bosniaks, Kris Janovski said. Exposed to constant pressure and unbearable living conditions, the Bosniaks are simply forced to leave their homes. Some 850 Serbs, refugees from Zenica, Zepce, and Zavidovici have recently arrived in Banja Luka, and they are accommodated through the expulsion of Bosniaks.

Karadzic Assails Efforts To 'Create Chaos'

LD0304172894 Belgrade TANJUG in English 1718 GMT 3 Apr 94

[Text] Belgrade, April 3 (TANJUG)—President of the Bosnian Serb republic (R.S.) Radovan Karadzic on Sunday ordered legal proceedings against and severe punishment of persons who have been trying to create chaos and discredit the civilian authorities of the Serb state.

Karadzic gave strict orders for the investigation in Prijedor, a town in the western R.S., to be stepped up and all persons responsible for the latest developments in that town to be arrested, a statement released by the presidential office said.

Karadzic stressed that the enemies of the R.S. were intensifying attacks on the republic's independence and

sovereignty in an effort to create chaos, discredit the civilian authorities of the R.S., and thwart the functioning of the Serb state, the statement, a copy of which has been sent to TANJUG, said.

The R.S. president gave strict orders to all civilian and military authorities to offer all necessary assistance to the International Committee of the Red Cross (ICRC).

All perpetrators of the crimes will be tried and most severely punished before the eyes of the international public, Karadzic said.

R.S. Prime Minister Vladimir Lukic on Saturday sharply protested because of an UNHCR report on an alleged deterioration of the position of Muslims and Croats in the region of the Bosnian Serb town of Banja Luka.

UNHCR officials uncritically drew up the report solely on the basis of statements by the local bishop and mufti and representatives of the Catholic humanitarian organization Caritas, and failed even to mention the criminal charges brought against individuals engaged in criminal activities of damaging the property of Muslims and Croats in the Banja Luka region, Lukic said in a letter sent to the Zagreb-based UNHCR representative.

The UNHCR report, which accused the R.S. authorities of allegedly not respecting the rights of the minority Muslim and Croat populations, was aimed at discrediting the R.S. authorities and attracting the attention of the international community and media, the R.S. prime minister said in the letter.

Calls For Unification With Serbia

AU0104203994 Belgrade Radio Beograd Network in Serbo-Croatian 1700 GMT 1 Apr 94

[Text] Here is what Radovan Karadzic, president of the Serbian republic, said about the end of the war and the lifting of sanctions. Responding to our correspondent Dragan Colovic's question as to what the end of the war and a successful conclusion to the peace negotiations would depend on, Dr. Karadzic said:

[Begin recording] [Karadzic] I believe that now—as in the past—everything will depend on the international community. It is clear that Yugoslavia has been destroyed not so much because of the hostilities within it, but because of certain needs outside of it, primarily Germany's and, lately, the United States' need to destroy Yugoslavia and create tensions in this area. We know for a fact that the foreign factor has been putting off a political solution because an end to the war in Bosnia-Herzegovina did not suit it. Various interests are involved, from the military- industrial interests of the United States and the NATO forces, to Germany's and France's need to create European forces, and the U.S. need to destabilize Europe and thus postpone its unification.

If the United States has now really taken a firm stand regarding assistance in solving the crisis, the war will end. You have seen that both the Croats and Muslims respond with a high degree of submission to U.S. demands. If, however, something changes and the United States finds that it still needs the crisis in this area, the war will go on until the main international factors—primarily the United States—no longer want it.

[Colovic] How would you comment on the latest statement by Russian Foreign Minister Kozyrev that we are closer to the lifting of sanctions thanks to the moves of the Serbian side, primarily the Bosnian Serbs, who—as he said—are a constituent nation and equal party.

[Karadzic] I think that during the entire course of the conference [on the Former Yugoslavia], from the beginning of the war to the present, the Serbian side has been the most cooperative side at every level—humanitarian, political, and military. We proclaimed endless unilateral cease-fires; we simply released numerous prisoners; we accepted many political solutions that might well have affected our vital interests. After all, we accepted the calming of Sarajevo, the pacification of Sarajevo; we accepted observers' missions and separating forces throughout Bosnia- Herzegovina; to put it succinctly, Kozyrev is finally right. The Serbian side has invested immense efforts into ending the war and lifting the sanctions. I hope that all this has finally reached the consciousness of the main forces and I hope that they will be able to present the accomplishments of the Serbian side in former Bosnia-Herzegovina, the Serbian republic that is, as justification for the relaxation or lifting of the sanctions, perhaps even prior to the commencement of new negotiations. We requested that new negotiations not be initiated before we achieve an equal position, which presupposes either the suspension or lifting of the sanctions.

[Colovic] However, the suspension and lifting of sanctions presupposes the positive attitude of all those who insisted on them the most, namely the United States. What are your impressions after the talks with Charles Redman?

[Karadzic] I believe that we have indicated to the U.S. envoy what our base goal is and what we must achieve at any price. We have also opened the possibility—after the recognition on which we insist—perhaps linking up with others through various connections. We suppose that we could allow ourselves some kind of link with the Croatian-Muslim Federation under the condition that we be recognized in the meantime and that we have links with Yugoslavia, although we believe that our priority is unification with Serbia, and we shall insist on this priority. If we are forced to temporarily give up on our main goal, we are ready to be flexible and accept certain intermediate solutions. [end recording]

'Karadzic's Terrorists' Continue Bihac Attack

AU0404090294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 4 Apr 94

[Report by Mirza Saikovic]

[Excerpts] The Serbian aggressor is continuing his offensive on the Bihac region on this 57th day of fighting in this part of Bosnia-Herzegovina. Karadzic's terrorists last night continued artillery attacks on Bihac and the surrounding area. Civilians in this UN protected zone are still being targeted. [passage omitted]

The lines of separation with the paramilitary formations of the so-called Cazin autonomous region were not quiet either. The separatists are constantly opening small-arms fire and provoking clashes. They are still shelling the (?Prusce) area in the Cazin municipality.

Redman, Karadzic on 'Territorial Arrangements'

AU3103151494 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 31 Mar 94

[Report by SRNA journalist Mirjana Kusnik]

[Text] Charles Redman, the U.S. President's special envoy for the former Yugoslavia, and Radovan Karadzic, president of the Srpska republic, met in Pale today. In a statement for SRNA after the meeting, Redman pointed out that he had come to reach political and territorial arrangements, albeit without concrete offers. We are making efforts to solve territorial borders in Bosnia in a new way, because after the creation of the Muslim-Croatian federation, we want to hear what the Serb side intends to do, Redman said and added that borders are a great problem that will not be easy to solve. These are extremely great problems as the war has been waged for two years already and I do not think that the situation will improve soon, Redman said.

Karadzic reiterated the readiness of the Serbian side to (?support) every proposal for solving the crisis in the former Bosnia-Herzegovina which would not be contrary to the interests of the Serbian people.

Redman and Karadzic hailed the efforts Russia, the European Union, and the United Nations made with a way to solving the crisis in Bosnia-Herzegovina.

Speaking about the ceasing of clashes between the Croats and the Muslims, Redman said that a united Croat-Muslim army will probably be formed, as, in his opinion, this is the best solution to establishing peace between Croats and Muslims on their territories.

This afternoon in the Muslim part of Sarajevo, Redman will meet Alija Izetbegovic and convey to him the stands of the leadership of the Srpska republic.

Abdic's Forces Attack Cazin Area

LD0204211194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 2 Apr 94

[Excerpt] The Bihac region tried to heal its wounds today after almost two months of the Serb aggressor's offensive. However, members of Abdic's paramilitary units stepped in to make up for somewhat lower intensity of attacks launched by Karadzic's terrorists. The chetniks began by launching an artillery attack on the defense lines on the Grmusa-Srbljani plateau on the Bihac part of the front.

Civilians were the victims of this madness again today. A 16-year-old girl was killed by a sniper shot. Abdic's paramilitary forces, reinforced by their chetnik allies, resumed their destructive attacks. On this occasion they shelled industrial facilities in the Cazin municipality belonging to the meat industry Puran in Pjanici. These facilities were one of the most important parts of Agrokomerc [food processing company founded by Abdic] in the Cazin municipality before the war broke out. The autonomists also attempted infantry breakthroughs in the Pecigrad area. [passage omitted]

Cajnice-Foca-Gorazde Triangle Fighting

LD0104111694 Belgrade TANJUG Domestic Service in Serbo-Croatian 1027 GMT 1 Apr 94

[Text] Cajnice, 1 Apr (TANJUG)—Following a short overnight lull, fighting in the triangle between Cajnice, Foca and Gorazde continued unabated around 0500 today, even though an attempted Muslim breakthrough launched from Gorazde on Tuesday and Wednesday ended in complete failure, the command of the Serb forces announced. The command said that the fiercest fighting was in the region of Gradina hill. These are the fiercest Serb-Muslim clashes in this area since the beginning of the war, with both sides using all types of weapons. The surrounding mountains have been ringing with deafening explosions and incessant shooting.

Two Serb fighters were killed in almost hand-to-hand fighting yesterday. According to Serb Command estimates, about 100 members of the Muslim units have been put out of action.

Muslims Step Up Attacks on Serbs Around Doboj

LD0304213994 Belgrade TANJUG in English 2129 GMT 3 Apr 94

[Text] Banja Luka, April 3 (TANJUG)—The Bosnian Moslem army has stepped up attacks on Serb defence lines in the area of Doboj in the north of the former Yugoslav republic of Bosnia-Herzegovina while their attacks in the areas of Gorazde, Cajnice and Foca in eastern Bosnia are becoming less intensive after a defeat of their troops in the area.

Bosnian Serb army sources said on Sunday evening that the strongest Moslem assaults had been reported in the area of Mount Ozren, south of Doboj, where they had carried out several infantry attacks on Sunday morning before being forced to retreat with major casualties in their ranks.

The Moslems fired ten shells on Doboj and continued to bring in fresh troops to the Teslic battlefront in the south.

As part of an all-out offensive on the territory of the Bosnian Serb republic, Moslems have been continually shelling Doboj over the past five days, causing great damage to the town.

Moslem units continued attacks in the area of Trebava east of Doboj and in the area of Brcko north of that town, as well as in the region of Srbobran (formerly Donji Vakuf) and Mt. Vlasic in central Bosnia.

Despite a defeat suffered over the past few days in the areas of Gorazde, Cajnice and Foca, the Moslem army is carrying out new mobilization and re-grouping of its troops, Bosnian Serb army sources said.

They said they had received an information that the Moslems had on Saturday night expected in vain a large quantity of weapons, ammunition and food to be air-dropped in the Gorazde area.

The Bosnian Serb army command said on Saturday that it possessed proofs that the airdrop operation (in which humanitarian supplies are parachuted to the population of Moslem enclaves in eastern Bosnia, including Gorazde) was being used for supplying the Moslem army with up-to-date arms.

The Bosnian Moslem army has used those weapons in its latest offensive on Serb positions from the direction of Gorazde, where more than 10,000 Moslem fighters are based in spite of the fact that the enclave should have been demilitarized a long time ago under a resolution of the United Nations which proclaimed the town a "safe area."

Muslim Forces Launch Attack Toward Cajnice, Foca

LD0404100494 Belgrade TANJUG Domestic Service in Serbo-Croatian 0930 GMT 4 Apr 94

[Text] Cajnice, 4 Apr (TANJUG)—Following a relatively quiet night, early this morning Muslim forces launched a fierce artillery and infantry attack from the direction of Gorazde toward Cajnice and Foca, the command of the [Bosnian Serb] Herzegovina Corps announces.

This is the seventh day of the spring offensive by the so-called Bosnia-Herzegovina army aimed at reestablishing the green transversal from Sarajevo via Gorazde to Sandzak. The fiercest battles are being waged in the area of Potkozarje and Oglecevo.

Serb military sources claim that the Muslims have given up attacking toward Cajnice via Gradine and Trebesevo because they suffered huge losses in that area over the past few days.

The command of the Herzegovina Corps said that there were no casualties among Serb fighters in the past 24 hours.

Serb General Claims Failure of Muslim Offensive

LD0304164994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1349 GMT 3 Apr 94

[Text] Kragujevac, 3 Apr (TANJUG)—The Muslim offensive code-named "The Final Liberation of the Unitary Bosnia-Herzegovina" [Konacno oslobodjenje cjelovite Bosne I Hercegovine], launched in the middle of the last week against all Serb positions, has failed to yield any results, being a totally disorganized action, according to General Manojlo Milovanovic.

In the "Hallmark of Time" program on Radio Kragujevac, General Milovanovic referred to the setting up of a federation between the Muslims and Croats and went on to explain the reasons why it was created and the role of military circles in this move. "First, the Muslims rid themselves of the Croats as the enemy, while on the other hand the Croats were facing total military defeat and had to agree on the federation."

Asked if the Croats had joined in Muslim armed attacks against Serbs, General Milovanovic said: "No. They have been completely passive in relation to us and the Muslims and, like cunning Latins, are waiting to see who is going to win and then take the side of the stronger."

Explaining the main objectives of the Muslim offensive, General Milovanovic singled out Posavina and Podrinje as its main targets. "In Posavina the Muslims want to cut through the Serb corridor. They need to capture Brcko, and the Croats want to keep the areas where the Croat population was in the majority before the war. The Muslims have two options in the Drina river basin—one of them is a lateral operation [esast to west] to reach the left bank of the Drina river from Tuzla and Kalesija to Zvornik, then to link up with Srebrenica from Kladanj via Vlasenica, to link up with Zepa from Olovo via Sokolac and Han Pijesak and also to link Sarajevo with Gorazde. The other option is a vertical operation [south to north] to connect the Muslim enclaves from Gorazde toward Zepa, from Zepa to Srebrenica and from there to Zvornik, or the other way round."

Milovanovic said that there is a rift between the Muslim military and state leadership and that the offensive was originally scheduled for the autumn. This is clearly a result of the military leadership's wish to prove themselves.

Commenting on the arrival of Turkish units, Milovanovic said that this is a clear provocation or a sign of the UN Security Council's weakness. "This is a religious and not a civil war, and the world should be aware of it. This is a war between Christianity and Islam."

Croatia Backing Muslim Offensive Against Serbs

LD0304150794 Belgrade TANJUG in English 1419 GMT 3 Apr 94

["Pool" item]

[Text] Belgrade, April 3 (TANJUG)—The all-out Moslem offensive on the Bosnian Serb republic continues on all fronts on Sunday, the Bosnian Serb command says and adds that along the Sava river in the north the Moslems are being backed by regular troops of neighbouring Croatia.

According to the same source, Croatian multiple rocket launchers and long-range artillery on the left bank of the Sava river have been pounding the territory of the Bosnian Serb republic.

The shelling has been especially heavy in the Serb villages of Krepsic and Obudovac and the town of Doboj.

The Bosnian Serb command says that although the Moslems are attacking practically all borders of the Bosnian Serb republic, the brunt of their attacks is directed against the corridor linking the eastern and the western part of the republic.

The same source emphasizes that the Bosnian Serb army is responding to all attacks and inflicting heavy losses to the enemy, and that everything indicates to a complete breakdown of the Moslem offensive very soon.

Moslem-controlled Radio Sarajevo reports continuation of inter-Moslem fighting in the northwest between forces loyal to Fikret Abdic and Moslem hardline leader Alija Izetbegovic.

Abdic, a fierce opponent of Izetbegovic's war-mongering policy, last October proclaimed independence for the province of western Bosnia.

RSK-Croat Cease-Fire Comes Into Effect

LD0404084894 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 4 Apr 94

[Text] The cease-fire agreement signed in the Russian Embassy in Zagreb [on 30 March] between a Croatian delegation and the Serb rebels from the occupied Croatian areas came into effect at 0900 today. According to reports from the political department of the Split operational area, the cease-fire is being observed.

The Zadar-Biograd area is quiet today, as it was last night. The Sinj and Sibenik-Drnis areas are also quiet.

TANJUG Report on Cease-Fire

LD0404110394 Belgrade TANJUG Domestic Service in Serbo-Croatian 0946 GMT 4 Apr 94

[Excerpts] Knin, 4 Apr (TANJUG)—A cease-fire agreement between the Croatian Army and the Serb Krajina army covering a 1,600-kilometer-long front came into effect at 0900 today. [passage omitted]

ISKRA reports, quoting a statement by Lieutenant Colonel Marinko Gajic, the assistant commander of the Serb Krajina army, that Serb Krajina army units have started withdrawing their heavy weapons and forces, and that on the Krajina side "there will be no problems in fully complying with the provisions of the Zagreb agreement." The same source said that UNPROFOR [UN Protection Forces] representatives reported that the Croatian side is also withdrawing its manpower and equipment.

RSK's Jarcevic Optimistic

LD0304154694 Belgrade TANJUG in English 1335 GMT 3 Apr 94

[Text] Belgrade, April 3 (TANJUG)—Foreign Minister of the Republic of Serb Krajina (RSK) Slobodan Jarcevic described as positive development the agreement on cessation of hostilities which the RSK and Croatia signed last Wednesday in the Russian Embassy in Zagreb.

Hoping that the agreement would be the first step towards the normalization of relations between the two sides, Jarcevic told Radio Belgrade on Sunday that the agreement did not tackle demarcation issues.

The territories which remained in the so-called buffer zone or on Croatian side will be discussed as part of the demarcation package, he explained.

The RSK was created in 1991 in predominantly Serb-populated areas in Croatia in response to Croatia's violent secession from the former Yugoslav Federation. It was placed under U.N. protection in March 1992.

The Zagreb agreement may prove detrimental only on one point: If Croatia transfers troops from the borders with the RSK to Bosnia-Herzegovina to support the all-out Moslem offensive against Bosnian Serbs, said Jarcevic.

Opposition Leader Budisa on Bosnia Policy

AU0204193294 Vienna DIE PRESSE in German 2 Apr 94 p 5

[Interview with Drazen Budisa, head of the Social Liberal Party, by Norbert Mappes-Niediek; place and date not given: "No Reason To Rush Things"]

[Text] [Mappes-Niediek] You sharply criticized Croatia's Bosnia policy. Tudjman has now changed his course. Has harmony been restored in Croatia?

[Budisa] Croatia's Bosnia policy was double-faced. One could support what was stated in public, but what actually happened had nothing to do with it. There is now full agreement on the federation in Bosnia-Herzegovina.

[Mappes-Niediek] How do you view the planned confederation between the Croats and the federative Bosnia?

[Budisa] We have nothing against a confederation. Yet, it has to be a long process. Besides, there is absolutely no reason to rush things. When two of the three constituent nations of Bosnia—Croats and Muslims—decide to join Croatia in a confederation, one can, despite all criticism, not deny the Bosnian Serbs the right to join Serbia in a confederation.

[Mappes-Niediek] Your president seems to have a different view on that.

[Budisa] Tudjman is convinced that it is time to set up a kind of watershed between two worlds that are politically and culturally incompatible. Yet, we want to prevent a new cold war between East and West. As long as Russia is ruled by democrats, we do not need such a watershed.

[Mappes-Niediek] How do you perceive a solution for Croatian territories that are held by the Serbs?

[Budisa] We have a very good law on the rights of national minorities, which has, unfortunately, never been implemented, not even in that part of Croatia that is controlled by the government. This has weakened our position in the negotiations. I am thinking of the many blown-up houses of Serbs, the difficulties for Serbian citizens to get their certificate of nationality, and of how the proportional representation of the Serbs was implemented in Parliament. The Serbs in Croatia constitute a national community. I think that Croatia will be forced to go somewhat beyond the regulations for national minorities. But there will never be a solution that would turn the Croatian people in any part of Croatia into a minority, as would be the case in a confederative solution. Look at myself, for example. I am from Drnis, in Dalmatia. Before the war 20,000 Croats lived there, constituting 70 percent of the population. Now there are

200. The house I was born in is now occupied by the Serbian police. For these parts of Croatia there cannot be Serbian autonomy.

[Mappes-Niediek] As a result of ethnic cleansing, 97 percent of Serbs now live in Krajina. They are determined not to accept any solution beneath a confederation.

[Budisa] There cannot be a confederative status for the entire occupied territory. This would only lead to a new war. Territorial autonomy can only be had for areas where the Serbs were a majority before the war—that is, in the areas around Knin and Glina.

[Mappes-Niediek] Do you still expect the violent reconquest of the Krajina by Croatia this spring?

[Budisa] This spring? No. The current talks between the two sides are obviously going well. Serbia is being more and more affected by the sanctions, and the Milosevic regime in Belgrade is also the epicenter for the Krajina Serbs. The other side may not be cooperative now, but it will be in a few months.

Granic Letter to UN on Serb Attacks

LD0204143594 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 2 Apr 94

[Text] Mate Granic, Croatian deputy prime minister and foreign minister, has sent a letter to UN Security Council Chairman Colin Keating expressing concern over artillery attacks on Zupanja and the Zupanja Posavina area. Granic warns that the attack came after the adoption of the resolution extending the UNPROFOR [UN Protection Forces] mandate and granting it greater authority, and after the recent cease-fire agreement signed between representatives of the Croatian authorities and Serb rebels from the occupied areas under UN protection.

Citing media reports and statements by senior UNHCR [UN High Commissioner for Refugees] and ICRC [International Committee of the Red Cross] officials on crimes committed against Muslims and Croats in the Prijedor region over the past few days, and on the inability of international humanitarian organizations to protect a large non-Serb population in northern Bosnia, which has been under pressure to leave, Minister Granic said that these criminal actions must be urgently stopped. The Republic of Croatia will otherwise be faced with a new wave of refugees, a burden with which it will not be able to cope given that it is already caring for about 500,000 refugees, Granic said. He calls on the UN Security Council to do everything in its power to halt these crimes.

The latest attacks on Zupanja Posavina indicate that the Croatian request to UNPROFOR to ensure firm control of the borders of the Republic of Croatia—outlined in the 16 March letter from Franjo Tudjman, president of the Republic of Croatia, to UN Secretary General Butrus-Ghali—is fully justified, Minister Granic says at the end of his letter.

Mikelic on Importance of Unity in Government

AU0204203594 Belgrade Radio Beograd Network in Serbo-Croatian 1700 GMT 2 Apr 94

[Text] The Serbian national corpus this week heard with relief the news from Knin that the parties had agreed to form a government of national unity in Krajina. Just as Prime Minister-designate Borislav Mikelic announced this information, a statement by the Serbian Democratic Party [SDS] of Krajina appeared, saying that its leader, Milan Babic, had postponed the negotiations on his participation in the Serbian Krajina government. This was the reason why we asked Borislav Mikelic, whom not even his biggest enemy can deny wisdom and above all flexibility in establishing contact with everyone, what had actually happened. In asking this question, we were primarily prompted by the fact that the war in the republic of Serbian Krajina is still going on, that companies have not worked for nearly three years, that 40,000 pensioners have not received their pensions for months, and that hundreds of children have lost their parents—that is, that another hour should not be wasted in forming the government. This is another reason to listen to Mikelic's statement:

[Begin Mikelic recording] I was of the opinion that we must carry out our task and form the government. I began from the premise that I had capable people for individual departments and not ministries, since it would be difficult to talk about ministries within the framework of the republic of Serbian Krajina at the moment. These ministries could perhaps be established only in three or four spheres; however, in other spheres this is not possible, bearing in mind the circumstances. Therefore, I am viewing the situation realistically.

On the basis of this plan, I proposed to the SDS four mandates and that Mr. Babic be appointed deputy prime minister for international relations and for liaisons with the Serbs in diaspora, which I believe is a sphere that he could cover. In a sense, he would be the first deputy prime minister in the government led by myself. To the radicals, keeping in mind that they already have the chairman of the assembly, I offered another two mandates. In this second stage, I did not even take into consideration the parties and their size but was motivated by finding expert people—that is, to draw into the government those who can cover certain expert fields, as well as what is feasible at this stage.

Therefore, I made certain compromises here—in some spheres even at the expense of quality—with the aim of creating a government of national unity and to finally show those in the West, in Croatia, and others who are against the republic of Serbian Krajina that we can work together, that we—Martic, Babic, Mikelic, Bjegovic, and all others who can in a way offer to the nation a little more than what has been offered so far—will stick

together. Thus, I held talks with the SDS and its president, Dr. Babic. In principle, he accepted my offer. I now hear that the SDS has issued a statement that they embrace the government of national unity, but based on the parity principle taking into consideration the number of parliamentary seats, and also that Babic has postponed his participation in the government. I view this as a SDS statement and not a statement by Milan Babic. If the SDS coordinated this with him, then Mr. Babic will probably inform me about it. For the time being though, I have not heard this from him—that is, that he has postponed his participation. If he has postponed it and perhaps given up on this approach, then he could have done it only after our talks.

This is my approach and if I will not be able to fulfill it, then I doubt that I could agree to be prime minister in a government that would reflect the parliament—that is, a government in which the majority and minority parties would disagree on certain decisions and to have the party struggle transferred to the government. I would not want to head such a government. They will have to find someone else. I have agreed to offer my services and come to Knin for patriotic reasons. I am willing to work and help some people save [words indistinct] for the sake of Krajina's future. However, if someone wants to place party interests above national ones—I believe that national interests are above the party's interests—then the people should judge what is more correct right now—what I have to offer or what the party leaders and some party clubs have to offer. [end recording]

Jarcevic Welcomes Extension for UNPROFOR

LD0104134294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1258 GMT 1 Apr 94

[Text] Belgrade, 1 Apr (TANJUG)—Slobodan Jarcevic, minister of foreign affairs of the republic of Serb Krajina [RSK], today welcomed the UN Security Council resolution extending the UNPROFOR [UN Protection Forces] mandate by six months.

Noting that due to financial difficulties the United Nations will send only 3,500 fresh soldiers, Jarcevic stressed in a statement for Radio Yugoslavia that the shortage of soldiers would be made up with the authority of the United States and Russia because "they guaranteed that peace along the border between the RSK and the Republic of Croatia would not be violated."

The RSK foreign minister also welcomed the fact that NATO will surveil the air space between the RSK and Croatia in order to "protect the blue helmets."

Jarcevic expressed the hope that the RSK will be internationally recognized in the next six months, that Zagreb will understand that it cannot defeat Krajina militarily, and that the Croatian demand to the United Nations to force the Serbs to return to Croatia with NATO's help cannot be fulfilled.

"In its actions, Croatia must take as the starting point the current state of affairs and the fact that Krajian exists," Jarcevic told Radio Yugoslavia.

Manolic Says Tudjman Moving Against Liberals

LD0104194094 Belgrade TANJUG Domestic Service in Serbo-Croatian 1810 GMT 1 Apr 94

[Text] Zagreb, 1 April (TANJUG)—Josip Manolic, chairman of the Croatian parliament's Chamber of Counties and recently ousted from all positions he held in the leadership of the ruling Croatian Democratic Community [HDZ], has said that Croatia is currently going through a parliamentary crisis.

In an interview for the Zagreb weekly GLOBUS, Manolic said that the crisis could be solved only through elections. However, he added, the state and the HDZ leadership did not want early elections "because it is clear to them that they would lose because of accumulated problems."

Speaking about his plans, Manolic said that he would move toward a differentiation in the HDZ. This means that a group of his supporters together with him will leave the party, which will "finally bring about a formal split in the HDZ," Manolic said.

According to Manolic, "The final show-down has begun and the casualty list could possibly include Chamber of Deputies Chairman Stipe Mesic, Prime Minister Nikica Valentic, and former Prime Minister Franjo Greguric." It seems that Tudjman "has moved against me first, regarding me as the toughest nut to crack" and that from time to time he will replace "one by one the members of the liberal wing of the HDZ."

According to Manolic, the vital difference between him and Tudjman lies in the strategic policy regarding Bosnia-Herzegovina. As far as the Washington agreement is concerned, I believe that my option for Bosnia prevailed: It is based on cooperation between Croats and Muslims and on respect for the integrity [celovitost] of Bosnia-Herzegovina.

It is a fact, said Manolic, that there is a group of politicians in Herzegovina who find the Washington agreement with the Muslims unsuitable. "A war can break out again over 10 square km and whether they would be part of the Croat or the Muslim cantons, or about different posts in the federation and whether they should be occupied by Croats or by Muslims," stressed Manolic.

Manolic said he also came into conflict with Tudjman because of the functioning of a law-governed state. "We should halt forcible expulsions, the blowing up of houses, and discrimination along national criteria, which is still happening," he warned and said that "the present set-up has not proven capable of protecting the rights of all Croatian citizens."

He wanted to know who stood behind the political decisions to establish concentration camps in Herzeg-Bosna, to hold the eastern part of Mostar under siege for six months, to blow up the Old Bridge, and finally, to wage a war against Muslims. In his interview for GLOBUS, Manolic said that Croatian Defense Minister Gojko Susak "was the one most involved in the implementation of the Croatian policy in Bosnia-Herzegovina."

Mostar Bosnians Stripped of Refugee Status

LD0204223594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2200 GMT 2 Apr 94

[Text] The Office for Refugees of the Republic of Croatia has decided to strip all the citizens of Bosnia-Herzegovina who fled to Croatia from the Mostar area of their refugee status, B-H Press [Bosnia-Herzegovina state agency] reports.

Taking into account the fact that the roads are still closed and that parts of the Mostar region are still under occupation, a number of refugees from Mostar will have to go to a third country now instead of returning to their homes.

NATO's Interest in Region Examined

AU0104160594 Zagreb DANAS in Serbo-Croatian 22 Mar 94 pp 18-19

[Article by Edvard Popovic: "NATO Wants to Set Up Bases in Croatia"]

[Text] NATO is asking for Zadar airport, the plateau above Slano (around Cepikuce), and for two islands (Vis and another one) for its future bases—this information has been leaked from the state leadership and has been unofficially confirmed by a high-ranking official of the Croatian Army Supreme Headquarters. Official sources have so far not said whether this is just an indication of NATO's growing presence within the activity of the UN in Croatia and Bosnia-Herzegovina, or the first step in taking Croatia, through the "Partnership for Peace," into full membership in NATO. Only the growing presence of NATO forces—provided that elements of the Croat-Muslim agreements are implemented—could guarantee the re-establishment of the disrupted balance, i.e., introduce a lasting and more stable peace in these parts.

The choice of location is no accident. Belgrade headquarters knows that very well, for many examinations for the rank of general in the former Yugoslavia were based exactly on variants of defending the hinterland of Zadar, the valley of the Neretva River, and the Kupres valley from potential landing operations and attacks by NATO forces.

Strategic Routes

Zadar and its hinterland, Ravni Kotari, is the widest gateway to the Balkans. This is where a more serious marine-airborne assault could take place, one including an army group (about three divisions or 45,000 men) for further penetration toward the Balkan interior (toward Bosnia-Herzegovina and Serbia). No other part of the Adriatic coast, from Albania to Slovenia, is so suitable for assaults by major forces, for their consolidation and advance north- east. The potential assault would be made easier as Zemunik [Zadar] Airport is nearby and also as Croatian forces control a good part of the hinterland and the saddle of Mali Alan. A radar installation positioned on that saddle could knock out [Serb-held] Udbina Airport, thus establishing total control—both on land and in the air—of forces moving toward the heart of the Balkans, whose keys are held by those who control Kupres and the Kupres gateway, the main operational route for the Balkans—the Serbs, in the present case. Establishing a bridgehead in Ravni Kotari and total control of the area would open the road to Kupres.

Another important Adriatic route toward the gateway to the Balkans is the Neretva valley. In comparison with the Zadar route, it is definitely a less suitable variant for penetrating into the Balkans, but only if the forces controlling the banks of the Neretva are hostile to those penetrating into the territory. That is not the case this time: The banks of the Neretva are controlled by the Croats and the Muslims. Consequently, it would not be very difficult for NATO to send a major fleet along the Neretva River from Ploce all the way to Capljina. The plateau above Slano, in the area of Cepikuce, which was liberated by the Croatian Army in a large-scale operation, is actually a lookout from which eastern Herzegovina is controlled and it is an ideal starting point for all actions toward Trebinje, Bileca and deeper into Bosnia-Herzegovina territory toward the Drina valley.

The Mosaic of Outcomes

If Vis should become a NATO base, it would keep the role it played in the defense doctrine of former Yugoslavia; it would be an vital logistic base, an unsinkable warehouse of military supplies for land forces.

Such an outcome of the crisis in these parts, a replaying of the Yalta agreement moving the border of U.S. interests east of Trieste to the banks of the Bosna River or the Drina, is becoming increasingly certain. It is with this in mind that one must view the pronounced interest of Washington in the Croat-Muslim conciliation and the presence of U.S. soldiers in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] (the Vardar valley is still an extremely important operational route for penetration into the Balkans). The statement of General John Shalikashvili, who said that interests in Bosnia-Herzegovina are important enough to send 25,000 U.S. soldiers, sheds more light on U.S. interests. At any rate, Washington's message is that the Bosnia-Herzegovina fire must be extinguished in order to prevent it from spreading to Albania, Macedonia, and Greece, for, in that variant of the outcome of the Bosnia-Herzegovina problem, "some other forces" might come into conflict as well. If we also consider the

statement of the UN secretary general, who said that, after Russia and the United States came into the Balkan pot, the international Conference on Former Yugoslavia has become superfluous—the mosaic of outcomes of the crisis will definitely appear in its more integral version. In any case, the UN has been unable to find a good model for peace in the Balkans. That organization—in the Yugoslav crisis and in the war there—has shown too many weaknesses, and if it really intends to be a moving force of the new world order, it must undergo thorough repairs. At any rate, it was announced that the UN would be completely reconstructed by the end of 1995. In these circumstances, a new world order means nothing else than realizing old global deals without (for the time being) large-scale military conflicts.

Croatian Gains

The potential Croatian gains in the new circumstances—that is, at a time of a more engaged presence of the United States and Russia in the Balkans and in the negotiations between Zagreb and Sarajevo—have lately been discussed by general Anton Tus in his interview for VECERNJI LIST. The biggest gain is, of course, Washington's determination, in agreement with Moscow, to extinguish the war in Bosnia-Herzegovina and stop the conflict between the Croats and the Muslims in Bosnia-Herzegovina. Linking the airspace of Croatia and Bosnia-Herzegovina is here very important for Croatia. "In military and defense terms, this joint area is extremely important for Croatia. There would be no critical intersecting points and there would be fewer unsafe borders. It would be much better to have a friendly neighbor without having to expect a strategic surprise from the territory. We would also gain with regard to strategic depth of the territory; consequently, Dalmatia and Slavonia would not have to fear a flank attack. Geopolitically and geostrategically speaking, the situation would be much better and balanced."

We still do not know the solution to the problem of the trans- continental main road stretching from the port of Ploce to the Neretva valley and the Bosna River, through Vinkovci and Vukovar, the Danube valley toward Budapest, Vienna, Slovakia, the Czech Republic, and further west on the Danube-Rhine-Danube canal. It is the shortest traffic route leading from the southern Adriatic to Central Europe and its geopolitical and geostrategic importance surpasses local interests. At present, the main road is cut in several places in Croatia and Bosnia-Herzegovina, and it is therefore important that the two countries, Croatia and Bosnia- Herzegovina, establish complete control over it.

The Legendary 50-50

Washington's fear that the war will spread to Macedonia, Albania, and Greece indicates the extreme importance of the events in Bosnia- Herzegovina for the stability of southeastern Europe. In that context, let us remember a Croatian initiative made at the CSCE, viz. the initiative for disarmament and arms control in countries created on the territory of former Yugoslavia, which was, in the future, to improve the stability of that territory and south-east Europe in general. According to our information, Croatia has already agreed to a quota of 23,000 professional military forces. Judging by the military activities of the Serbs in Bosnia- Herzegovina and Croatia, and by the fresh supply of forces and equipment coming to [Serb-occupied] Croatia from Serbia, Belgrade is still not thinking about peace, security, or cooperation. The Serbian announcement that they would yield to the Muslims 16 percent of the Bosnia-Herzegovina territory that they have conquered, and the announced arrival of the Knin team at the Russian Embassy in Zagreb for negotiations are encouraging, though weak signals of changing views (unless it is another case of a verbal trick).

By arranging the Croat-Muslim agreement, Washington has done its part of the job, and now it is Moscow's turn to put some pressure on the Serbs. With regard to that, it is encouraging to hear the announcement of closer military cooperation between Russia and NATO. Such cooperation is not possible without solid arguments. NATO could strengthen its arguments by setting up bases in Croatia. Anyhow, the U.S.-Russian deal could ultimately mean the surfacing of the final solution for the crisis in these parts and realizing the legendary 50-50 division and Russian access to a warm sea. Let us hope it will be east of the Drina route, not east of the valley of the Neretva and the Bosna.

Granic Comments on Federation, U.S. Support

AU0304170794 Zagreb VECERNJI LIST in Serbo-Croatian 22 Mar 94 pp 4-5

[Interview with Foreign Minister Mate Granic by Visnja Staresina; place and date not given: "U.S. Support to Croatian Integrity"]

[Text] How will the negotiating process continue after the signing of the Washington agreement—in other words, how to include the Serbs in that process? What has Croatia been promised in Washington and what will it have to do in return? For an answer to these questions, we talked to Foreign Minister Mate Granic in Washington the day after the ceremonial signing of the Croat-Bosniak agreement and his many talks with high-level U.S. officials and representatives of the European "Group of Three."

[Staresina] After signing the Washington agreement and talking with Mr. Silajdzic, is it more clear now how the Serbs should be involved in the negotiations?

[Granic] Signing the agreement was the first step toward establishing peace in Bosnia-Herzegovina, which means that this alliance or federation between the Bosniaks and the Croats has become a reality not only on paper but also in practice. We believe that most Bosniaks and Croats have accepted it, and reports confirm that. However, the crucial question now is what will happen next. The United States, or rather special envoy Charles

Redman, and European constituents are going to discuss territorial demarcation in Bosnia-Herzegovina between the federation and the Serbian side and, on the other hand, sanctions imposed on Serbia that are connected both to the situation in Bosnia-Herzegovina and to that in the United Nations Protected Areas [UNPA]. Furthermore, the Security Council is going to discuss the new mandate this week, and that will mark future developments. Moreover, the role of the Russian Federation in the negotiations with the third side has been defined to some extent; The European Union will be more involved in the negotiations. The framework and the location of the negotiations, as well as the determined compromise proposal on demarcation between the third side and the federation, are being decided upon. Internal demarcation will be discussed after the agreement on the final composition of the federation has been reached.

Demarcation Proposals

[Staresina] Are there several projects of the cantonal demarcation between the part held by the Serbs and the federation?

[Granic] We have heard several negotiating standpoints recently: The Serb side is offering 45 percent of the territory to the Croat-Bosniak side, and Mr. Izetbegovic is demanding 60 percent. That is what was said publicly. The European Union will probably try to organize the demarcation based on the Geneva talks—that is, 51 percent of the territory for the federation. The United States will probably be prepared to apply more pressure on the Serb side to relinquish more territory in favor of the federation.

[Staresina] Mr. Churkin said that the Croats and the Muslims have the right to a confederation with Croatia, so the Serbs should have the same right to form a similar confederation with Serbia.

[Granic] In that case, Croatia would not want to form any kind of link with the Serb confederation. There would be two confederations. It is more likely that the Serbs will be invited to join the federation under the same terms. That could be a possible solution for Bosnia-Herzegovina. However, it is not very likely the Serbs will agree to that. They have already indicated that. Another option is to form a very loose union between "the Serb Republic" and the federation, but it has not been thoroughly defined yet.

[Staresina] A loose connection between "the Serb Republic" and the federation would preserve the borders of Bosnia-Herzegovina. The next step would certainly be a confederate agreement between the federation and Croatia. In that case—the Serbs have made this clear—they would immediately go toward Serbia. Of course, that would result in forming two confederations and those two confederations could normalize all relations, even economic ones, but that is all they could do. All formal relations—Yugoslavia and the union—are out of the question for Croatia.

[Staresina] Do you also mean individual political resistance?

[Granic] There will probably be a number of people who will not be satisfied, but they cannot stop the process.

U.S. and Russian Influence

[Staresina] Is there a possibility of a strong Serb-Russian alliance in the Balkans?

[Granic] The Russians have a great influence on Serbia and the Serb side. If the influence is coordinated with the European Union and the United States to reach a compromise and an honorable solution, then it could be positive. On the other hand, any kind of support for a national minority and ethnic community is legal, but only within the framework of international standards and international law. We hope that Russia's assistance will result in the following: reaching an agreement on solving the problem of UNPA zones in compliance with UN Security Council resolutions and European standards for minorities and ethnic communities and to find a peaceful solution for Bosnia-Herzegovina that will not destabilize neighboring countries.

[Staresina] The United States has confirmed its readiness to support a peaceful reintegration of UNPA zones, but Vice President Gore has pointed out that quality is much more important than haste.

[Granic] The vice president's words convey the basic U.S. view: firm support to territorial integrity of Croatia and to reintegration, political, and diplomatic support along with the pressure on Serbia, of course. But they also say that it is now more important that Croatia's politics be coordinated with the United States and that this is a process that cannot be stopped. Naturally, we would like to see it happen as soon as possible, while the United States thinks it is not so important to hurry the process. Consequently, it is important to find a compromise.

No "State Within a State"

[Staresina] Has there been any talk about Serb autonomy in Croatia? Did they ask for more than has been provided by the constitutional law?

[Granic] Let me go back to President Tudjman's peace initiative. It provides the basis for negotiations, which means that it takes the territorial integrity and sovereignty of Croatia for granted and that it is possible to broach the discussion about the problem of local self-government. For the time being, we will stick to the constitutional law. However, it is possible to negotiate with the Serbs within President Tudjman's initiative, which was offered to the Serbs. It is no secret that there are different views on the problems of local self-government and local autonomy, and Russian views are most liberal, as Mr. Churkin has said a few times himself.

[Staresina] Do you mean a "state within a state"?

[Granic] That is absolutely out of the question. There will be no federalization or confederalization of Croatia.

[Staresina] Have the Russians proposed any particular model of autonomy?

[Granic] No. We mostly talked about rights rather than a specific model. We were very categorical about not wanting federalization or confederalization, but we said we would discuss a firm form of local self-government.

[Staresina] Have they ever openly demanded federalization or confederalization?

[Granic] No, but they did ask how far we would go.

[Staresina] Mr. Galbraith, the U.S. ambassador to Croatia, has recently threatened to introduce sanctions to Croatia. Is that still possible?

Open Doors to European Institutions

[Granic] After signing the agreement, they only talked about ways of helping Croatia and coordinating views. They never once mentioned sanctions.

[Staresina] Has there been any specific discussion of Croatia joining "Partnership for Peace"?

[Granic] We discussed everything in great detail. The United States, or rather President Clinton, Vice President Gore, and Secretary of State Christopher, strongly supported the process of admitting Croatia to "Partnership for Peace." With the European Union, we discussed membership to the Council of Europe and associate membership to the European Union. Indeed, they will probably wait for the federation and Croatia to do it together. There are no more hindrances for Croatia, but they want to do it that way. Croatia will demand that it be accepted right away, so we will have to work out a compromise.

We talked about membership in all European institutions, the World Bank, the deblocking of loans, and the stand-by deals. The United States promised to help with regard to all that.

[Staresina] Belgrade radio says that there is a position in Serbia concerning your visit to Belgrade. Do you really intend to go there soon?

[Granic] I am prepared to go to Belgrade, if we agree on that. However, before doing so, in accordance with the previous agreement, the Serb—Belgrade side—must answer some questions regarding negotiations about telecommunications, the highway....

[Staresina] About accepting the Croatian area code for the UNPA's, too?

[Granic] Yes, about that, too.

[Staresina] You also met with Turkish Minister Cetin. Will Croatia support the Turkish proposal on including Turkish soldiers in UN operations in Bosnia-Herzegovina?

[Granic] We suggested that they come to the occupied Croatian territory. Croatia has very friendly relations with Turkey.

[Staresina] Have there been any objections concerning human rights violations in Croatia?

[Granic] We did not talk about that at all. It was confirmed that Croatia is able to keep up with all the world standards in the field of human rights as well.

[Box, p 4]

The Continuity of Croatian Policies

[Staresina] What does this continuity consist of? You often point out that the Washington agreement presents the continuity of Croatian politics.

[Granic] It has a firm continuity because Croatia and President Tudjman personally—much before the referendum for independent Bosnia-Herzegovina—strongly advocated a decentralized Bosnia-Herzegovina, in which the Croats would have equal rights. This continuity is present in every proposal, as well as in the referendum and in recommendation that the Croats say "yes" and accept Couteillero's peace plan and the Vance-Owen plan. We had the most radical views regarding the European Union and the Owen-Stoltenberg plan of dividing Bosnia-Herzegovina into three republics. The present plan also contains decentralized Bosnia- Herzegovina. Furthermore, at a time when the Serbs are holding 72 percent of the territory and the international community has not done anything to stop that, the Croats in Croatia and Herzeg-Bosna will have to take a firm stand in defending their strategic interests. But it is also true that, as early as in August last year, when Mr. Silajdzic and Mr. Cetin visited Zagreb, we discussed possible models of relations that are similar to the present ones—for example, those between the Croats and the Bosniaks, Croatia and Bosnia-Herzegovina. Later on, we continued those talks and President Tudjman and President Izetbegovic signed a public declaration and a non-public agreement on 14 September. We talked about the federation and the confederation during our stay in Sarajevo and then in Geneva.

[Box, p 5]

Professionals

[Staresina] How much have the changes in the political and military leadership of the Bosnian Croats contributed to the success of the negotiations?

[Granic] The arrival of General Ante Roso was primarily welcomed by the Croats, with the deep respect of the Bosniaks. The international community also supports professionals who carry out their tasks properly. On the

other hand, there were certainly some reproaches of the international public regarding certain people in the previous leadership. However, that leadership organized the resistance to the Serb aggression, an efficient resistance, which should never be forgotten. The appointment of Mr. Zubak was certainly refreshing for the international community, and the Bosniak side has also accepted him. I believe that this has contributed to the success, but I repeat that the guidelines of the policy strategy have been the same from the very beginning.

Popovski Welcomes U.S. Military Presence

AU0104200494 Skopje VECER in Macedonian 1 Apr 94 p 5

[Report by G. Mihajlovski: "Additional Contingent of Americans"]

[Excerpts] An additional contingent of 200 to 250 U.S. troops will arrive in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] in the next few weeks. This information was given by Chairman of the Joint Chiefs of Staff John Shalikashvili at yesterday's news conference in Skopje.

Shalikashvili, who had meetings with President of the Republic Kiro Gligorov and Defense Minister Vlado Popovski, also visited U.S. troops serving as part of the UNPROFOR forces for Macedonia, located in the Petrovec military camp, and said at a news conference that President Clinton had announced his readiness to send more U.S. troops to Macedonia. [passage omitted]

The Defense Minister of the Republic of Macedonia Vlado Popovski also spoke at the news conference, and said that the Macedonian side thought that the U.S. contingent should be expanded, because that was a way of strengthening the preventive peacekeeping. "We agreed that Macedonia represented the key factor for peace and stability in the region, and that preventive peacekeeping in Macedonia was equally important as the solution to the conflict in Bosnia- Herzegovina."

Minister Popovski said that they had had discussions about military cooperation with the United States, in the sense of giving assistance to the transformation of our defense concept to NATO standards. On the possible arrival of a U.S. military attache in Macedonia, Popovski said that "there obviously is a need for a military liaison officer but he will be given the status of a military attache after the establishment of full diplomatic relations," explaining that the United States had also agreed that there was a need to send such a person to Macedonia.

Asked about possible discussions on ceding the Krivolak military camp to U.S. soldiers, Popovski replied: "Such ideas are neither current nor initiated by either of the two sides. We only discussed possible U.S. assistance in the transformation of our army, first of all for the defense of the Republic of Macedonia, and for its inclusion in the 'Partnership for Peace' project."

According to the information released from the cabinet of the president of the Republic of Macedonia, the Macedonian-Greek dispute was also a subject of discussions between President Gligorov and Shalikashvili (also attended by Foreign Minister Stevo Crvenkovski and Popovski), in the sense that it could have negative implications for the wider stability in the south of the Balkans. President Gligorov personally has renewed the request by our state to join the "Partnership for Peace" NATO project.

Albania Said Trying To Manipulate Minority

AU0304160794 Paris AFP in English 1542 GMT 3 Apr 94

[Text] Skopje, April 3 (AFP)—Macedonia [The Former Yugoslav Republic of Macedonia, FYROM] Sunday [3 April] accused Albania of trying to manipulate the independence-minded ethnic Albanian minority in this former Yugoslav republic.

The ethnic Albanians are seeking a degree of autonomy bordering on independence for a third of Macedonia's territory, mainly in areas where they form a majority of the population, such as on the frontier with Albania itself.

The Macedonian Government says the Albanians comprise 20 percent of the population of 2.3 million people. The ethnic Albanians put it at 50 percent.

The main Albanian political party in Macedonia, the Democratic Prosperity Party, which is part of the coalition government in power in Skopje, split into two factions in February.

That rupture "was caused by direct interference from Tirana," Macedonian Interior Minister Ljubomir Frckovski said in an interview with AFP.

A party congress at which the split occurred was attended by lawmakers and diplomats from Albania proper.

The traditional leadership of the party was accused by Albania of damaging the cause of the Albanian minority in Macedonia. The leader of the new faction, 28-year-old Menduh Taqi, has received a hero's welcome in Albania.

But while he had tough words for Albania, Frckovski suggested that 30 ethnic Albanians due to go on trial for allegedly running guns to Albanian militia here would not have the book thrown at them.

Although the defendants could be sentenced to between two and 10 years, the minister said, "Harsh sentences should not be expected."

Italian Foreign Minister Interviewed on Ties

AU3103193594 Skopje NOVA MAKEDONIJA in Macedonian 31 Mar 94 p 2

[Interview with Italian Foreign Minister Benjamino Andreatta for PULS by unidentified correspondent; place and date not given: "Italy Interested in Stability in Macedonia"]

[Text] Just a few days before the parliamentary elections in Italy, Italian Foreign Minister Benjamino Andreatta gave an exclusive interview for the weekly PULS (to be published tomorrow) in which he answered a number of questions related to political events in Italy, in Europe, and, in particular, the war in Bosnia. Of course, the

accent was on the situation in the Balkans, more precisely on the situation in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] in its dispute with neighboring Greece, as well as on general relations between Italy and Macedonia.

On the importance of the new transport corridor—the corridor linking Italy, Albania, Macedonia, Bulgaria, and Turkey, Benjamino Andreatta stated: "Italy is very favorably viewing the project for the construction of a trans-Balkan east-west railway and highway corridor that could be a basic component for pursuing cooperation between the states in this region, as well as with the surrounding states, one of which is Italy, due to its geographic position. The initiative was renewed at the recent meeting in Sofia attended by representatives of transport ministries of the interested countries, when the 'Memorandum of Understanding' was signed, confirming the commitment and good will for the realization of this project."

"The realization of the corridor," Andreatta emphasized, "would enable Macedonia to be better and more equally included in the system of European transport networks. Soon the BERS [not further specified] organization will send a mission to Skopje to determine priority spheres of involvement."

Commenting on the development of relations between the two countries, the Italian foreign minister also said:

"As you know, Italy has actively contributed to the stabilization of the new republic born after the dissolution of the former Yugoslavia, by assisting its gradual involvement in international life and activities. It is doing so with the firm belief that the association with Macedonia will have a positive effect on the realization of a gradual and desired stabilization of the entire Balkan region. In this context, Rome decided to establish diplomatic relations with Skopje on 16 December of last year. As a matter of fact, even before the establishment of diplomatic relations with Italy, continuing activity for support of your country had begun in the relevant international organizations, in reply to requests for economic aid submitted by the Macedonian Government. Parallel to that, Italy persistently supported the admission of your country to the Central European Initiative within the purview of supporting and approaching Macedonia, and it also expressed its wholehearted support to its admission to the CSCE [Conference for Security and Cooperation in Europe] which has, unfortunately, not yet been accomplished, due to the opposition of some member states."

"On the basis of such premises," Benjamino Andreatta pointed out, "there is a lot of room for strengthening bilateral cooperation, particularly on the economic and cultural plane. We will dedicate our attention to that in near future, with the hope that in the meantime conditions of stability and peace will be reestablished in the Balkans, that will ease the intensification of bilateral cooperation with all the countries in the region, including the Former Yugoslav Republic of Macedonia."

About the dispute with Greece, as well as its implications on security in the region, the Italian foreign minister emphasized that Italy was deeply concerned about the possible negative consequences on stability in the region after the restrictive measures undertaken by Athens. "Italy," Andreata emphasized, "together with the other European partners, never misses the opportunity to present that concern to Athens." He also pointed out that the Italian side looks forward to the resumption of direct negotiations between the two sides as soon as possible, in order to create prerequisites for a gradual normalization of bilateral relations between Macedonia and Greece. "In that regard, it will be necessary, more precisely it will be indispensable for both the sides, to demonstrate the needed flexibility," Andreata said in his exclusive interview for PULS.

Perspectives on Military Developments

94BA0193A Skopje NOVA MAKEDONIJA in Macedonian 12 Feb 94 p 16

[Article by Zoran Petrov: "Black Clouds From the Bosnian Sky"]

[Text] *With any possible airstrike against the Serbian positions in Bosnia-Herzegovina, the first to suffer will be the UN Protection Forces [UNPROFOR]; can the UN peacekeeping forces be pulled out of the Bosnian hell?; the direct involvement of the Federal Republic of Yugoslavia [FRY] in the conflict is almost certain, through which the war would actually spread beyond Bosnia-Herzegovina's borders; an "extraordinary chance" to include other forces as well in the possible conflict.*

The long-announced military intervention by the Western allies to break the 22-month-old blockade of Sarajevo is becoming more and more certain, especially after the massacre in the Sarajevo market, in which 68 people died and over 200 were wounded by a shell's explosion, and after the UN's official request to NATO for authorization for airstrikes in Bosnia, or, more specifically, for bombing the Serbian artillery positions around Sarajevo. It seems that the international community's prolonged hesitation and wait-and-see attitude are finally over. The key decision was adopted the day before yesterday in the evening in Brussels at a meeting of ambassadors from the 16 NATO members, with the declaration of the critical date—21 February, one hour after midnight, when NATO planes will bomb artillery sites within a radius of about 20 kilometers around Sarajevo. The ultimatum, formulated as a warning primarily to the Serbian side, refers to the withdrawal of all of the heavy weapons and their placement under UNPROFOR control by a set date and time.

Regardless of the announcement of the international community's last argument of persuasion, military intervention, which the world public received in a way with a

great deal of relief and support, many unresolved questions nevertheless remain despite everything. Will the air intervention against the Bosnian Serbs' artillery positions around Sarajevo settle the Bosnian conflict? To what extent would such a step by the Western alliance serve to establish the peace that is so much desired in the embattled region, especially after the statements by the leaders of the so-called republic of Srpska that they will defend themselves by all means available? Are there possibilities that after such an action the war might spread beyond Bosnia-Herzegovina's borders? Where is Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] in such a possible course of events, and what are the realistic chances that it might also become involved in the conflict?

UNPROFOR the First to Suffer

According to the chief of the General Staff of the Army of the Republic of Macedonia [ARM], Major General Dragoljub Bocinov, the airstrike by NATO or UN forces against the Bosnian Serbs' artillery positions will complicate the already extremely delicate and complex situation in Bosnia-Herzegovina. This will already nullify even the present limited control over this military hot spot, thus creating broad possibilities for the conflict to spread and for it to be regionalized in southern Europe, with complete destabilization of the Balkans and with their being drawn into a zone of constant conflicts. One of the most essential aspects of the already announced intervention and the possibilities of its escalation into an open conflict between two or more combatants, according to General Bocinov, is the Serbs' attitude toward the UNPROFOR units deployed in Bosnia-Herzegovina. In an operational sense, the UN forces have an enclave deployment, which means that they are not linked in a combat line and are in a situation of strategic encirclement. In other words, the chief of the General Staff emphasizes, to a certain extent they are already hostages. According to our interlocutor, an extremely significant element in this context is the attitude of the Western governments which have their own peacekeeping contingents in Bosnia-Herzegovina. In their assessments at any level of the balance of power, human life is the number one factor, and thus saving and protecting the troops in the UN multinational contingent can play the deciding role here. Thus, Bocinov emphasizes, these countries can be expected to decide to withdraw their forces, which in the first place is almost impossible in the present conditions, and in the second place, even then the conflicts will increase in intensity, ferocity, and uncontrollability.

This position coincides with the view of retired Major General Todor Atanasovski, namely the possibility that the UN may decide to abandon the battlefield and continue political and economic pressure, leaving the combatants to themselves. The only logic of this goal, according to General Atanasovski, is to maintain the conflict within the present limits. Many problems arise in this case, however, as he emphasizes. In the first place, whether the world can accept such an inhuman step with a clear conscience, and whether it is even possible for the UN forces to be withdrawn from Bosnia-Herzegovina at such a juncture. One has to bear in mind that their main goal at present is to protect humanitarian convoys, which in a way are the last crumb of hope for numerous unfortunates in Bosnia. With the possible withdrawal of the peacekeeping forces, in addition to the loss of any control and any sort of influence and mediation among the combatants, UNPROFOR may become their common enemy, and be attacked on all sides. This is the most difficult alternative to implement, Atanasovski emphasizes, although the governments of the countries that have their own contingents in Bosnia-Herzegovina are becoming more and more nervous about the fate of their troops, and some of them, like France recently, have already announced the possibility of withdrawing them.

Will the Bosnian Cauldron Overflow?

As an area that objectively gravitates toward the unsettled region and in a way is located in the critical zone, Macedonia is directly affected by the Bosnian military outcome. As Slobodan Dimiskovski, a doctor of military sciences and an expert on this problem, emphasizes, the FRY's attitude toward military intervention against the Bosnian Serbs is a significant aspect of a speculative situation thus formulated. One can assert with a considerable degree of certainty, Dimiskovski says, that the FRY would become involved in supporting, i.e., in the actions and operations of, the army of the so-called republic of Srpska. The general situation would thereby become more complicated not only in the area of Bosnia-Herzegovina, but also in a much broader area, including even the entire Balkans, and within them Macedonia as well. Retired Lt. General Mitre Arsovski, the former chief of the ARM's General Staff, has an almost identical view of things; in his opinion, the most natural thing is to expect direct intervention by the Republic of Serbia and its involvement in the conflict. General Arsovski emphasizes that this directly raises the possibility of an expansion of combat operations into the FRY as well, which, by the way, also borders on the Republic of Macedonia. In his opinion, a second significant element in assessing the possible course of events after air attacks against the Serbian positions in Bosnia-Herzegovina is the fact that fighter-bombers will fly from the aircraft carriers in the Adriatic and from the NATO bases in Italy. And what will happen, Arsovski asks, if the bases in Greece are used, even if the latter country still opposes it? In his opinion, if this possibility is realized, which is fairly likely in a given course of events, then by yielding its air space for overflight by American aircraft Macedonia would indirectly be joining one side, in all of this development of the conflict assumed so far.

This is essentially the worst alternative for the country's security, since in one speculative situation thus formulated the reality would be a response by Serbia using the so-called retaliatory strategy, at first against the U.S. troops on the Macedonian-Serbian border and then in a later phase against the Republic of Macedonia, thus

creating a hot spot with unforeseeable consequences for the entire Balkans, or for the security of Europe in general. The situation can also be complicated in another way. According to General Bocinov's estimates, the Bosnian barrel can overflow at the moment when Izetbegovic's Bosnian army sees its own chance in the escalation of the entire conflict, and it will very likely also be joined by the Muslims in Sandzak and Montenegro. Bocinov says that this, at the same time, will also be an extraordinary opportunity for the Albanians from Kosovo, and then from Western Macedonia, who in a situation in which there would be military pressure and the expulsion of the Serbs from their positions in Bosnia, to join in the conflict. In effect, the chief of the ARM's General Staff emphasizes, this would mean the beginning of a hellish cauldron in which everyone would be against everyone.

Will the Americans Attack?

The model for the outcome of the Bosnian conflict that is now being applied did not arise as a well-considered military system but rather arose step-by-step and was carried out partially, gradually, and in a palliative manner, General Atanasovski thinks. In his opinion, that lack of coordination is also reflected on the formal level—from resolutions, through conferences, to one more partial measure, namely the threat of air attacks against the Serbian positions. Obviously, Atanasovski emphasizes, the results of the latest initiative will be the same as the ones to date, i.e., this maximalization of the pressure indicates the counterproductive nature of the entire action. Instead of ending the war, it will lead to an even greater intensification of combat operations. The only model for resolving the Bosnian war, according to Atanasovski, should start with noting that the status of the conflict in Bosnia-Herzegovina has already passed the level at which it is not important who is the aggressor and who is the victim. That former definition, Atanasovski claims, no longer makes any sense. "I agree and I accept the fact that the Serbs are the cause of the war," he says, "but the future operation will have to disarm all the armed sides in the Bosnian region, regardless of which side they belong to. That means their forcible immobilization and forced isolation in the entire war hot spot, and furthermore for a long period." According to Atanasovski, this is the only good solution for the Bosnian conflict.

On the other hand, as Dr. Dimiskovski emphasizes, it is unlikely that the airstrikes will even be carried out, regardless of all the seriousness of the NATO ultimatum. There were decrees in the past and they were almost always counterproductive, and thus Karadzic also said in response to the last warning that the Serbs would defend themselves by all means available. A similar attitude is also displayed by General Mitre Arsovski, according to whom airstrikes by NATO forces against the Serbian positions in Bosnia will not be carried out, and at the moment they serve to intimidate and exert psychological pressure and coercion for new negotiations. "I personally think," he says, "that by using air power alone one cannot resolve the situation on the front in Bosnia, and if it is used, it will be more demonstrative in nature."

In any case, regardless of whether these are empty threats or a warning that will be carried out at any cost, the fact is that a new, and perhaps the most serious trial for peace in the entire region to date is in sight. Everything else is entering an area of great uncertainty.

[Box, p 16]

Dragoljub Bocinov, Major General and Chief of the ARM General Staff: "NATO Cannot Repeat 'Desert Storm'"

For the time being the situation in Bosnia-Herzegovina is on the brink between war and peace. It is balancing between these two options, since it is already clear that there cannot be a middle solution. At the moment, the most problematic is the answer to the question of whether Serbian wants peace and a peaceful settlement of the war, since if it is achieved there will be serious internal upheavals, and even its destabilization. Imagine what would happen if 200,000-300,000 armed soldiers returned to the FRY, which has already been devastated by the international sanctions. In other words, it is an extremely likely assumption that ending the war does not suit Serbia at all.

On the other hand, it is more than clear that NATO or the United States cannot implement in Bosnia-Herzegovina or repeat the model of the ground-air-sea battle of January 1991 from the "Desert Storm" operation, since at the moment they do not have a ground base organized. Without ground forces, territory cannot be conquered and the war cannot be resolved.

[Box, p 16]

Slobodan Dimiskovski, Doctor of Military Sciences: "The Most Horrible War in All Human History"

Hypothetically, in my opinion at least two options are possible for a Bosnian settlement. The first would be concrete implementation of the Karadjordjevo agreement between Milosevic and Tudjman, i.e., combined Serbian-Croatian forces would definitively defeat the Muslim army. This would achieve the main strategic goal—preventing, at any cost, the formation of an Islamic state in the Balkans, and creating a Greater Serbia and Croatia within their historical borders.

The second option is based on the assumption that the UN, the EU, and NATO will not succeed in using negotiations, political means, and even airstrikes to settle the Bosnian crisis, and then it is likely that the UNPROFOR units will be withdrawn from Bosnia-Herzegovina. The fate of the three hostile ethnic groups would thus essentially be left to their leaders and armies. That would constitute a horror in comparison with all wars in the course of all human history.

Kljusev Interviewed on Stabilization Program

94BA0171A Skopje NOVA MAKEDONIJA in Macedonian 30 Dec 93 p 3

[Interview with former Prime Minister Nikola Kljusev by M. Jovanovski; date and place not given: "Social Endurance Like the Sword of Damocles"]

[Text] *It seems that there is a tendency her for us to get used to the deficit in public spending; any effort to find a solution for getting out of the crisis, if it is realistically weighed, should be accepted; we do not have any institutions for measuring social endurance.*

These days the Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] Government's stabilization program is a frequent topic of discussion, both in the Assembly where it was adopted, and outside the parliament, at professional or less professional meetings. A large number of economists have also expressed their own opinion of it; they have evaluated the solutions envisioned for various sections of the program, each from his own standpoint. In several reviews, however, it seems to have been forgotten that we already have experience in creating our own program. This has to do with the Anti-Inflation Program, as it was officially called, or the "Easter" Program, as the people later called it. We talked about stabilization in 1994, but also about other things, with one of the creators of the "Easter" Program, and at that time the head of the expert government—Academician Nikola Kljusev.

[Jovanovski] Mr. Kljusev, we are at the end of 1993, when results in various fields are being summed up. How do you assess the past year, viewed in economic terms?

[Kljusev] This year was also a very critical one, both in terms of events in Macedonia in the area of interethnic relations, and on the economic level. From the economic standpoint, several qualitative changes occurred in the economy and in general in the standard of living. The assessment is that we are still sinking toward the bottom of the crisis. On the other hand, several significant economic indicators are showing negative tendencies—the social product and employment are declining, there are no investments.... The losses are much larger than the modest capital formation. In spite of that, consumption is growing. Personal consumption has grown by about 26 percent, and public spending is showing an enormous deficit. We also appear to be getting used to that deficit. If public spending is swallowing up 10 percent of the social product, the fact that it will fall to 6 percent in 1994 cannot make us happy.

[Jovanovski] The deficit will be covered from foreign sources, however.

[Kljusev] Those indicators are bad signals, because we do not have resources of our own to cover the deficit. It is an extremely complex problem. Thus, the economy is showing a structural atrophy, as well as declining trends—by 15 percent in industry, by 20 percent in agriculture (with the drought also having an effect), but also in other sectors. All of this induces caution, with the aim of opposing those trends and stopping consumption. The intentions of neutralizing the unfavorable effects of the declining trends are therefore noble ones.

[Jovanovski] In your opinion, what are the stabilization program's chances of success?

[Kljusev] Basically, any effort to find a solution for getting out of the crisis, if it is realistically weighed, should be accepted, if it is not based on illusory and exaggerated optimism. In that regard, it can be said that the program, as an effort to get out of the unfavorable situation, undoubtedly constitutes an expression of positive aspirations. If one studies it thoroughly and looks at its anatomy, however—the pillars on which it is based—one will see that its goals and ambitions are in conflict with the center of gravity that it does not have. It is simply not catching up.

[Jovanovski] What center of gravity do you have in mind?

[Kljusev] The center of gravity here is not the real economy and its potential; it is not the productivity and capital formation capacity of the national economy; instead, it has to be financial support from abroad.

[Jovanovski] What are the similarities and differences between the stabilization program and your Anti-Inflation Program?

[Kljusev] The theoretical postulates are the same. At that time we did not have a chance of expecting financial aid, since relations with the International Monetary Fund and the World Bank had not been settled, but the anchors were clearly emphasized: the foreign exchange rate, wages and the freeze on them, and prices and the monetary sphere, in which we established discipline. The "Easter" Program, however, fell precisely over what this program is going back to, namely the regulation of relationships in consumption. At that time, however, several frivolous deputies proposed a law on wages that the government did not support. The president of the Assembly also raised his hand in accepting such an idea.

[Jovanovski] In your opinion, what was the real reason for the adoption of the law on wages?

[Kljusev] There were probably manipulations by several parties that wanted to come to power. We reduced inflation of 74 percent a month to 6 percent in August. The program fell, however, and so did the government. Let's not go into that. The essential thing is that those who voted against the program then have sobered up. They are beginning to realize that relationships in public and private consumption should be settled, and that a justifiably restrictive approach should be established.

Under the Conductor's Baton

[Jovanovski] Will the people be able to endure that restrictive approach?

[Kljusev] Well, that is the key question. Actually, the program was worked out under the conductor's baton of the IMF and the World Bank. It is not our invention. How much it is our wish is even questionable. We are in debt to these institutions, but also to commercial banks. The IMF, however, has strict criteria regarding the repayment of loans, it does not allow rescheduling, but the IMF gives the green light for financial relations with the rest of the world. We are undoubtedly under a strict conductor's baton. The IMF's criteria are aimed at creating the conditions for repaying of the debt to the World Bank, and so actually a bridge arrangement is being established, a bypass arrangement to settle the obligations to these financial institutions, in the amount of $137 million. We are also prisoners in that respect.

[Jovanovski] We will have to face repayment of the debt at some point. Now we will have to repay the old debt, but we will receive new loans. What is the best thing to do in this situation?

[Kljusev] We should utilize the situation rationally. We should achieve creditworthiness abroad and initiate our projects that will be attractive to world financial institutions and the world industrial sector. We have to focus on joint investments, and not establish ties only with financial institutions on a credit basis. That would be fatal.

[Jovanovski] The loan approved by the European Bank for Reconstruction and Development for our Electrical Industry is a good sign, of course?

[Kljusev] It is a good chance. We have to make sure that all that money is utilized efficiently and fully in the economy. Not one dollar should go into consumption.

[Jovanovski] Let's go back to the stabilization program. How much can the completely unachieved but sought-after consensus affect implementation of the program?

[Kljusev] In this case we have to have a realistic attitude in assessing the partners. It has to do with the relationship among all the partners—the government, employers (i.e., the chamber), and the trade union. All three partners are not clear representatives in the role that they are supposed to play. The government, through the parliament, is not expressing the will of all the deputies, and, one might say, of the people as a whole. That is indicative, as the criticisms being made of the program and the criticisms being made of its adoption are refuted. Employers are unknown. Traditionally they are owners, but in our country a quasi-role is played by the chamber, reluctantly. The trade union likewise does not fully represent the working class, in conditions in which other independent trade unions exist. It does represent the lion's share of employees, however, and they should have been prepared for the price of depriving the working class of its subsistence. That price was recognized after the fact. That lack of preparation is making employees into potential opponents of the program. If the government wanted the program to be a national one or a state one, then all the entities should have been prepared while it was being coordinated.

Exaggerated Optimism

[Jovanovski] But you have also developed your own program?

[Kljusev] We drafted it only because of the fact that along with the anti-inflation program, we also introduced our own currency. That is the biggest secret. The journalists' prior announcement of the introduction of the denar resulted in damages of several million marks, in just two or three days.

[Jovanovski] At the beginning you mentioned a term—exaggerated optimism. What do you mean by that?

[Kljusev] I mentioned it because significant areas have not been regulated here. In the first place, a systemic approach has not been completed in economics and in the economy. It is sufficient to mention the lack of a law on firms, i.e., enterprises. With respect to the development of the tax system, however, I agree on this. In this case the state should demonstrate its honor, its dignity, and its responsibility. If it gives in on taxes, then it cannot be a law-governed state, since in the West, the basic attitude of the citizen toward the state is viewed in terms of taxes.

[Jovanovski] Yes, but here the state has bought social peace by not collecting taxes.

[Kljusev] Well, it is an extremely significant issue. Why did we have that much of an increase in wages, 26 percent? Why do we have an enormous deficit in the public sector? Isn't that an answer to your question, that social peace is being bought? If that spiral continues, nothing will be left of this program.

[Jovanovski] The program provides for a real reduction in wages. How far can social endurance be stretched?

[Kljusev] I don't know how much the program is interfering with social endurance. Won't it collapse through several unwanted incidents? It is like a sword of Damocles hanging over the program. Who is studying social endurance in our country? There are institutions in the world that research it. All of the shifts and conflicts are giving signals that the government measures are being modified. There are also many other unresolved issues, however—political tolerance, slow privatization, rehabilitation of the banking sector, which is of exceptional significance and should be carried out as quickly as possible....

[Box, p 3]

Clearing Up Banks' Bad Debts

It is very important to reexamine the entire banking system, which is perhaps the most problematic aspect now. It is sinking in various bad debts which are carried over from year to year, and if that trend continues, it will

affect the entire economy. The government assumed a big obligation by specifying that the rehabilitation would begin in four months. The unrehabilitated banks can be a weak point in controlling financial flows and financial services provided by the banking system to the economy and the populace.

I am not completely certain whether a Bank Rehabilitation Agency should be formed or whether they should be rehabilitated bank by bank. If, for example, Komercijalna Banka has carried out some sort of rehabilitation itself, for which it has received certification by an international institution, it should be allowed to operate. One or two healthy operational branches should be taken away from Stopanska Banka and the headquarters and the rest of the branches, for example, should be rehabilitated. It is a difficult process that will require both time and money, and personnel changes at the banks.

[Box, p 3]

Limiting Factors

[Jovanovski] What factors can have a limiting effect on successful implementation of the stabilization program?

[Kljusev] In addition to the uncompleted economic system and social endurance, disruptions may also occur because only the social sector is being taken into account in personal consumption. But how much does the private sector share in that consumption, and how much does the gray economy? The latter is distorting the scale of the so-called effective consumer. There are people with uncontrolled sources of income who are exerting pressure on that sphere. There is nothing on them if they buy a modern type of automobile, and so forth. And an enormous part of the population is below the poverty line, on the brink of subsistence. The program did not take into account how much of total consumption consists of uncontrolled income from the gray economy. Balance-sheets should have been prepared for that, just as balance-sheets should have been prepared for all the debts and for all the obligations, both those abroad and the domestic debts, and then it should be stated what relationships will be like in the economic consumption sector, in public consumption, and in personal consumption. That leads into the issue of social endurance. We are also very vulnerable in the area of political tolerance. To what extent does it exist? A consensus has not been reached on issues that should naturally link us. Next, there is the slow transformation of ownership. Is there any insight into the positive and negative effects of the slow transformation model? In addition to those internal factors, there are also several external ones, which primarily have to do with our surroundings.

Federal

Jovanovic: FRY Not Alone Despite Sanctions

LD0304125694 Belgrade TANJUG in English 1221 GMT 3 Apr 94

[Text] Belgrade, April 3 (TANJUG)—Yugoslav Foreign Minister Vladislav Jovanovic said on Sunday that he received new encouragement in Belarus that Yugoslavia is not alone despite its isolation and the international sanctions, and that the circle of countries which are showing solidarity with its justified objectives and resistance to outside pressure, sanctions and isolation, is spreading.

"The talks we had in Minsk covered all the aspects of the Yugoslav crisis, primarily the crisis in Bosnia-Herzegovina," Jovanovic told Radio Belgrade upon his return from the first official visit to Belarus since it became independent.

"Both sides underscored identical interests that the crisis in the space of former Yugoslavia end as soon as possible, that Yugoslavia recover its legitimate rights in international relations," Jovanovic set out.

Speaking About the talks in Moscow, which he visited earlier, Jovanovic said that he had agreed with Russian Foreign Minister Andrey Kozyrev that developments in Bosnia-Herzegovina were marked by positive changes, but that there were still serious situations which made it imperative for both countries to be very active and to collaborate even more closely.

It was underscored that Russia had played an important positive role in the resolving of recent crisis situations, but that it can have an even more active role in removing the obstacles to peace, of which the biggest is the continued maintenance of the sanctions against Yugoslavia, Jovanovic said.

Sandzak Muslim Official Cited on Situation

AU0104154694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 1 Apr 94

[Interview with Sulejman Ugljanin, chairman of the Muslim National Council for Sandzak, by Amir Hodzic; place and date not given—recorded]

[Text] [Hodzic] Mr. Ugljanin, due to the communications blockade and other blockades in Bosnia-Herzegovina, we are not in a position to found out more about the real state of affairs in Sandzak. This is a chance to find out from you about what is really going on there.

[Ugljanin] The situation in Sandzak is identical to that in Bosnia-Herzegovina before the war. There are mass arrests of Muslims, Muslim houses are searched, criminal charges are brought against them. Generally, this is a form of a refined state terror. It is nothing new, since with the start of the war, that is, the Serbian-Montenegrin aggression on Bosnia-Herzegovina, a campaign of terror was launched simultaneously against the Muslims in Sandzak.

You know that since the start of the aggression on Bosnia-Herzegovina some 74,000 Muslims, women and children, adults who were expelled from Bosnia have passed through Sandzak. Some stayed a month, some two months, some stayed a year, and there are still some 16,000 of them there in Sandzak in our homes, who live with us. Apart from everything that happened to them [changes thought] their fears are doubled because they have experienced something terrible and now they are expecting even worse to come.

Serbia and Montenegro, you know, planned the ethnic cleansing of Muslim and Croatian people of Bosnia-Herzegovina, the ethnic cleansing of the Muslim people of Sandzak, and the ethnic cleansing of the Albanian people of Kosovo. They are doing just that now. It is obvious. Now it is up to us to prevent that and have our status justly resolved. You might have heard, the whole world knows, that we as the national council called on the people to boycott the elections because of the Serbian-Montenegrin aggression on Bosnia- Herzegovina, and not one of our people voted in the Serbian and Montenegrin elections on 31 May 1992 or 20 December 1992, and the third time [words indistinct] that we do not have to participate in elections in the country that has attacked our mother state Bosnia-Herzegovina. The people completely boycotted the elections for the third time on 19 December 1993. After that, when Serbian-Montenegrin authorities realized that the people are united and determined, that they are nationally aware—the people stuck by the Party of Democratic Action [SDA]—then the police was sent by the politically defeated Serbia and Montenegro, and—you must have heard—the entire political leadership of the SDA was arrested. Hamo Hadzic, SDA chairman for Montenegro, was arrested, so was Rasim [words indistinct]; the entire leadership was arrested between 25 to 31 January this year.

We have been publishing the statements of the lawyers who defend them—a group of Montenegrin lawyers is defending them—and the statements issued by the lawyers, the statements about the arrests given by our people in those prisons: that is a tragedy—one can barely comprehend how a man can be such an animal toward another man. In this case, it has gone even beyond inhumanity. The attitude of the Serbian and Montenegrin authorities toward the Muslims in Sandzak is identical to the attitude in Bosnia-Herzegovina. The only difference is that we do not have the shelling.

Serbia

Country Wishes To Establish Dialogue With Turkey

NC3103181094 Istanbul CUMHURIYET in Turkish 26 Mar 94 p 7

[Report by Haluk Geray: "A Secret Message From Serbia to Foreign Minister Cetin"]

[Excerpt] Bucharest—Serbia has urged Ankara to agree to hold high-level diplomatic talks. Serbia's call came a few hours after UN officials asked for 2,700 Turkish troops for Bosnia and Herzegovina. The message was secretly conveyed to Foreign Minister Hikmet Cetin in Bucharest. It has been reported that Ambassador Bilgin Unan, deputy under secretary at the Turkish Foreign Ministry, may visit Serbia in the next few days.

Foreign Minister Hikmet Cetin accompanied President Suleyman Demirel to Romania. He held an unscheduled meeting with Foreign Minister Teodor Malescanu yesterday. Foreign Ministry sources have said that Malescanu conveyed a secret message to Cetin during their meeting.

In a statement to CUMHURIYET, Hikmet Cetin confirmed that he received a message. He stressed: "They wish to establish a high-level dialogue if necessary."

The Foreign Ministry circles have said that the message informed Cetin that Serbia wishes to establish a high-level dialogue with Turkey. [passage omitted]

Russian Liberal Democrats Promise Gas, Soldiers

AU0404074394 Belgrade BORBA in Serbo-Croatian 31 Mar 94 p 10

[Report by Miroslav Mikuljanac: "A Stall on the Brotherly Soil"]

[Text] The Russians have returned. Two Russian parliamentary delegations are traveling around Serbia, taking stock of the situation and making promises. The larger 15-member delegation is visiting officials without much pomp, keeping company with the communists, and, at least publicly, does not seem to have any major ambitions. The other five-member delegation has been visiting all the Serbian lands in the company of local non-parliamentary right-wing parties with considerable media attention, promising everything that could please the Serbian ear.

To make matters more confusing, the smaller delegation actually represents the forces that won the majority at the last elections but not the power. It consists of two vice presidents of Aleksandr [as published] Zhirinovskiy's Liberal Democratic Party of Russia, one communist (an astronaut), and two independent deputies, one of which is a veteran from Afghanistan. The malicious people would also add that they only lack a fire eater and a trapeze artist. Those who are more cautious know that the party representatives that won the majority of the several millions of votes in Russia should not be compared to a circus, regardless of the reception held for them and their preferred style of appearance.

However, the treatment that this small group from a large country is receiving in Serbia is truly worldly. The media follow them carefully, halls packed with people greet them with ovations, they have comfortable cars, and allegedly an airplane as well. If only the official authorities would have paid a little more attention to them.... They are much more prepared for public appearances than their colleagues who, equally well received, have visited "the brotherly Serbian land" in previous years. Now they know precisely what we need and what would be good to promise.

The most active member of this group, Aleksandr Vengerovskiy (the first man after Zhirinovskiy), is a decent stand in for his chief. "You are the first line of our defense," he said in Pirot. "Russia is a great market for your products," he announced in Bijelo Polje. "We will stop the supply of gas to Europe and bring it to you," he promised in Zemun. To the ecstatic Serbs in Pristina, he explained that Kosovo is "an old Serbian land and that a plan for its defense and protection is being prepared in Russia together with four brigades of soldiers."

Besides all the nice promises, there are also some other ambitions: "Our visit is a sign that Russia is returning to the Balkans and that we will never leave it again," was stated in Belgrade. Beside the four brigades for Kosovo, naval support from Boka has also been proposed, while the aforementioned gas would arrive at the Serbian borders in tanks, it was said.

As opposed to the larger delegation, this smaller one is pronouncedly anti-Yeltsin in its orientation; perhaps here lies the reason why the official authorities, at least at first glance, do not ascribe much importance to it. However, knowing that the host of the five-member group is the Serbian National Renewal party (which has been accused for years of having close relations with the police) and that (unconfirmed) Braca Karic (which also helped the Serbian Radical Party until Seselj's break with Milosevic) is financing their visit, things look a little different.

The chronologists of political events, prone to fantasy, have a simple explanation: The Serbian authorities need support, even if only verbal. However, it is not appropriate to officially host the most fervent of Yeltsin's opponents at the same time. On the other hand, Zhirinovskiy needs money for the realization of his visions outlined in the Last Jump to the South (a book promoted in Zemun during the visit) in order to carry out the actions of matching the executive power to the electoral results. Belgrade, in this sense, represents a crossroad on the way to the Indian Ocean, and a crossroad without stalls is not much of an attraction.

[Box, p 10]

We Only Need Love

As opposed to Zhirinovskiy's visit, when Liberal Democratic Party of Russia President Mirko Jovic and Zeljko Raznjatovic Arkan arrived at the reception with Patriarch Pavle unannounced and with the help of their elbows, the visit to the Serbian church head the day before yesterday passed much more peacefully. Witnesses emphasize that the patriarch was much more balanced than the hosts of the Russian delegation and

that to the announcement of all-encompassing brotherly aid, he diplomatically replied that the biggest assistance that could be given to Serbia is—love.

However, incidents were not in short supply. At the news conference, Vengerovskiy said to a correspondent of the Russian NOVOSTI that upon his return to the country, he will check his report and that "perhaps there will be no need for him to return from Yugoslavia at all." [sentence as published]

Democratic Party Supports Bosnian Serbs

AU0104145394 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 1 Apr 94

[Text] Zoran Djindjic, president of the Democratic Party, today held a news conference. Srdjan Savic reports:

[Savic] The Serbs in the Srpska republic were absolutely correct when they decided not to join the Croatian-Muslim federation, because when, in the second stage, a confederation with Croatia is established, the border would be on the Drina river. This is the view of the Democratic Party. The international community has shown discernment for the middle-of-the-road solution that could lead to peace. However, the lifting of sanctions against Yugoslavia would very shortly demotivate extreme circles among Croats and Muslims, and this would be more effective than the peace talks, Djindjic said. The next move should be the recognition of the equal status of the Serbian Republic, and the issue of the final demarcation would be settled later. The leader of the Democrats has endorsed the negotiations between the representatives of the republic of Serbian Krajina and Croatia in Zagreb, stressing that the territorial status quo should be accepted and that more emphasis should be placed on the undisputed points. Zoran Djindjic said that a Democratic Party delegation will visit Russia between 4 and 7 April to explain the national position of Serbs in discussions with the representatives of the state Duma and the democratically orientated parties. Commenting on the situation in our country, Djindjic said that the program of economic stabilization is entering the second stage, that the first stage has resulted in healthy currency and that the dinar will collapse in its contact with the ailing economy without an effective control of business activities.

Kosovo

Police Raided 530 Families in Last 5 Months

AU0204194894 Tirana TVSH Television Network in Albanian 1800 GMT 2 Apr 94

[Text] [Announcer] The Serbian police have started a new wave of repression against Albanians in Kosova. Reports confirm dozens of arrests and cases of maltreatment, as well as many raided homes. Here is a telephone report by Mehmet Haziri from Prishtina:

[Haziri] The raiding of Albanian families in Kosova under the pretext of searching for arms has intensified in the last few months. Punitive expeditions have been more frequent in the Llape and Drenice regions.

During the last five months alone, under the pretext of searching for arms, Serbian police raided 530 Albanian families in the Podujeve commune, 230 of which were raided as of 1 March.

The Information Commission of the Kosova Democratic Alliance [LDK] branch in Podujeve informs that during March, approximately 50 persons were brutally maltreated at the city police station, while 80 others received summons to appear at the police station and hand over weapons.

LDK activists and Albanian teachers were targets of the police. Lessons were interrupted many times due to police intervention, while many elementary school headmasters were summoned to the police station.

The LDK also reports that 22 peasants from Strovci in Vushtrri were summoned to the police station for such talks under the pretext of handing over weapons.

Raids and harassments have been reported in the villages of Skenderaj, Gjilan, Prishtina, Kline, and Prizren communes. In Qubrel in Skenderaj, Serbian police attempted to recruit four Albanian youths for the Serbian Army. The Albanians consider the Serbian Army foreign and did not respond to the recruiting summons.